How to Figure Your New Income Tax

Another Deficit Looms at Ottawa

How Business Views the Budget

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Budget Reveals Year of Waste
Coming Year Holds Better Promise
Though Another Huge Deficit Looms
Broader Basis Sound for Income Tax
Government Costs as Whole in Canada Show Little Drop
Stupid Tax Imposed on Foreign Insurance

No Economy Last Year; This Year May See Some

IT IS interesting to examine the public accounts presented by Finance Minister Rhodes to see if there is any evidence of economy by the government during the year just ended.

Ordinary expenditures were reduced by $11,000,000. Here are the only items where a saving of as much as one million dollars was shown:

	Saving
Subsidies to provinces (In the previous year large lump sums were paid the western provinces in settlement of natural resources).	$4,000,000
Indian affairs	1,000,000
Dominion lands (Due to handing over natural resources to western provinces).	2,000,000
Militia services	1,000,000
Air services (The previous year saw large initial expenditures on lights, etc.).	3,000,000
Post office	2,000,000
Public works charged to income (But unemployment relief jobs took care of a lot of this).	8,000,000

Many items, of course, showed increases.

Against this apparent saving there were many new expenditures that were not included in ordinary account. These included:

Bonus on wheat (new) (This one item alone offsets the whole saving claimed).	$11,000,000
Unemployment and relief (increase over previous year)	$4,000,000

Doesn't this record make a farce of the $11,000,000 alleged cut in expenditures? A puny $11,000,000 chopped off expenses of government (much of it through the handing over of natural resources to the western provinces) and $45,000,000 added through paternalism.

There is no economy shown in such a record.

But as is shown in a news article in this issue, the coming year may tell a different story. A serious effort to deal with deficit-creating paternalism has been undertaken.

* * *

Another Deficit Confronts Canada

CANADA had a deficit of $161,000,000 in the year just closed. Despite the imposition of new taxation to an amount of $55,000,000 the country faces the practical certainty of a minimum deficit of $64,000,000 in the year on which the country has just been launched by the minister of finance.

These figures will not be found in the budget speech of Hon. E. N. Rhodes but they present a truer picture of the country's financial position than any figures given in that budget speech.

Government accounts are always a mystery to the average man. They need not be; governments make available all the figures necessary for an understanding of their position but they do not cast these figures in business-like form nor do they interpret them. Mr. Rhodes merely follows the bad precedents of a long range of distinguished predecessors. But when the figures have been rearranged properly they are revealing.

* * *

FIRST let us consider the statement that the actual deficit of Canada last year was $161,000,000.

The Dominion government enjoyed current revenues of $335,000,000. It paid out on the ordinary accounts of government expense $379,000,000. In addition it paid out for wheat bonus, relief expenditures, and advances that can not properly be charged to capital account since they are not even treated as an asset in the government's balance sheet, $58,000,000. These two items do not include public works, charged to capital account, merely the current items indisputably part of the year's business. Thus Ottawa itself contributed $102,000,000 to the deficit account of the Canadian people.

In addition, the Canadian National Railway went behind $58,000,000. The actual profit and loss deficit was $90,000,000 but a large part of this was interest payable to the government on previous advances. But it would not be fair to charge this $32,000,000 to our deficit figures because it is already represented in the public debt interest already included. And on a similar basis the Canadian National Steamships went behind $1,000,000. This makes the total deficit $161,000,000.

* * *

THE figure is thoroughly fair. It is, if anything, optimistic from the taxpayers' standpoint for

(Continued on page 2, col. 3)

BANKRUPT ACT IS SWEEPING IN REFORMS

Fraudulent and Incompetent Trustees to be Eliminated

From Our Own Correspondent

OTTAWA.—The new bankruptcy act introduced in parliament last week by Hon. Hugh Guthrie, Minister of Justice, and now before a special committee of the Commons for further investigation, represents the combined wisdom of the legal, financial and commercial minds of the country.

Never before has legislation come to the Commons so highly sponsored. In brief, it proposes to set up governmental inspection over the business of bankruptcy, to prevent the wastage of insolvent estates through fees and costs, to protect to the fullest possible extent the interests of debtor and creditor alike.

Federal Superintendent

The chief change contained in the legislation is administrative. The bill calls for the appointment of a Superintendent in Bankruptcy, a federal official who will take charge of a new branch of the Finance Department. Under this superintendent, licenses will be issued to "trustees" who will be compelled to deposit securities at Ottawa as a guarantee of integrity. If a trustee goes wrong, these securities will be used to compensate the victims of his wrongdoing. Trustees will only be licensed after careful investigations have been made, and licenses will run but for one year. Strict account will be kept of all estates handled by these trustees so that improper practises should be caught at the beginning. Of course any lapse on the part of a trustee would mean cancellation of license and loss of standing.

Charge to Estates

The new act will force the business of bankruptcy pretty well into the hands of these licensed trustees so that a more careful supervision will become possible. As to the cost, the estates of insolvent persons will have to pay it. The act provides that the state levy to defray the cost of the superintendent's office will rank second only to the fee of the trustee.

Mr. Guthrie's bill is represented as the combined view of the Canadian Bar Association, the wholesalers, retailers, farmers, chartered accountants, lawyers and judges. The bar association appointed a special committee to draft a model statute. This model was taken by the Law Officers of the Crown and combined with the recommendations of the other organizations. The result is the bill sponsored by Mr. Guthrie. But not content with these recommendations, it is now submitted to a special committee of the Commons where further enquiries will be made.

The measure is to go into force by proclamation. The new superintendent is to be selected and appointed by the government, but the staff of the new branch will be selected by the Civil Service Commission.

Bell Telephone Shares Break New Ground

From Our Own Correspondent

MONTREAL.—For the first time since 1921 shares of Bell Telephone Co. of Canada have sunk below par in trading on the Montreal Stock Exchange. Recent quotations of around 90 compare with a low of 99¾ in January, 1921; with that exception the stock had never passed below the 100 mark. Present prices are indicative of existing conditions.

The price range back as far as 1900 shows share values maintained well above par with the exception of levels touched in 1920-21-22. Apart from those years when the stock touched lows near par and once just broke through, values have been anywhere from 10 to 80 points above the 100 figure.

Prospects for an improvement in share earnings during the current year are somewhat vague as yet. In 1931 gross income showed an increase over the previous year but higher fixed charges and a greater number of shares outstanding lowered share earnings to $7.56 compared with the 8 per cent dividend, paid since 1891.

Budget Deals Blow At State Paternalism; Drops Bonus Plans

Some $75,000,000 of Subsidies, State Aid, Etc., Dropped for Coming Year as Swing to Sanity Begins at Ottawa

MEET UNEMPLOYMENT WITH DIRECT RELIEF

Futile Effort to Create Jobs is Finally Abandoned—Many Organizations Formerly Receiving Grants Must Now Do Without

From Our Own Correspondent

OTTAWA.—With the new Federal budget, the long ascending curve of government subsidies, subventions, of assistance to many industries, societies and charities is halted and a sharp downward swing has become evident.

Ever since the war, the policy of governmental assistance, of paternalism, has been growing, eating like a canker into the heart of the financial structure of the country. Despite efforts of politicians, of cabinets, even of officialdom, these commercial, social and charitable organizations have muscled into the treasury, got away, collectively, with millions and tens of millions of dollars.

The crest of the upward curve was reached in 1931 when the government embarked upon policies of wholesale subsidies to farmers, of relief works and the like. This year, because of financial stringency, a halt was called and the estimates and the recent budget reveal that the government has made a courageous effort to cut away paternalism. It is impossible, of course, to shed the financial obligations incurred, even welcomed, in the past, by a stroke of the pen. Indeed many of them are statutory and can only be terminated by legislation. In this class are the Maritime Freight rate subvention and the Crow's Nest Pass agreement, the latter an indirect expense on a treasury which must make good National Railway deficits.

Abandon Works Policy

Of foremost importance is the abandonment after April 30 of the Unemployment Relief works policy, which has cost the country as a whole about $150,000,000 in two years, given steady employment to not more than 25,000 persons, run up provincial and municipal debt to the point where responsible journals and newspapers write of the, "Dance of Debt." The cost to the Federal treasury alone has run to more than $50,000,000.

The decision to abandon this policy was reached at a Dominion-Provincial conference held at Ottawa on Saturday, April 9, and it was concurred in not only by the Dominion but by most of the provincial governments. The conference was held in camera, but it is understood that only two of the provinces demurred to the decision against relief works. These were Manitoba and British Columbia. Running across the country, Prince Edward Island favored abandonment. Nova Scotia desired a little relief work and direct relief to care for the unemployed coal miners, but was not insistent. New Brunswick favored abandonment and Quebec was emphatically for making an end at once of both relief works and direct relief.

The position of Ontario was slightly different. The Ontario government does not desire continuation either of relief works or of direct relief, but does want to carry on the North Bay section of the Trans-Canada highway. The proposition is to create one or two large work camps for single men, to give them food and lodging and pay only $5 per month. Hitherto payment has been very generous, because of the minimum wage stipulated in Federal relief regulations.

The western provinces were divided in opinion. Manitoba and British Columbia desired continuation of present policies, but Saskatchewan and Alberta believe relief works should cease and that governmental assistance next year should be confined to direct relief. Of course in Saskatchewan the drouth stricken farmers will have to be carried through until harvest.

Out of these views came these decisions:

1. Unemployment relief works will cease with the completion of works now well underway, and the policy will not be renewed. Any works, notwithstanding that they may have been authorized, which have yet to be started or which have been only commenced, will be shut down.

2. Federal assistance in the new year will be confined to direct relief, and the share may be stepped up from 30 to 50 per cent.

3. The Federal government will stand ready to assist the provinces financially in the new year, will not permit any province to default its debt.

4. The government will ask parliament for legislation this session authorizing the above policy to be carried out. In fact, the government will re-introduce the 1931 blank cheque legislation, minus the clauses dealing with relief works.

Here, at one blow, the largest subsidy paid by the Dominion has been cut off. It will save more than $30,000,000 per year to Ottawa on the basis of 1931-32.

Drop Wheat Bonus

Another equally significant fact is that no mention is made either in the budget or the estimates, and none has been made by the government, of a renewal of the 5-cent wheat bonus. This bonus lapses on July 31, next. It has cost the treasury more than $11,000,000 for the year and would be much greater in a good crop season. It is confidently expected that this subsidy will not be renewed.

Still another significant fact is that no provision has been made for the increased coal subventions. The subventions were increased last year, but the increase lapses unless renewed by legislation. Since there has been no word about it in the budget, in the financial plans for the next year, it is presumed that this drain of $1,000,000 per year will cease.

Then there are the odds and ends of governmental assistance. Subventions for air mail have practically disappeared. The assistance to flying clubs is discontinued. Slightly more than $500,000 has been cut out of the various grants—including the blind, child welfare, tuberculosis, mental hygiene, nursing, ambulance, Red Cross, constables, boy scouts, girl guides, astronomy, and the Royal Society. All of these are worthy organizations, but the state cannot afford to keep up the assistance which has been given in the past.

Of importance, also, is the pairing down of the administrative subsidies, such as grants to fairs, agricultural clubs and societies. All have been cut to the bone.

No Assistance to Pools

Two other major achievements record the full significance of the present day flight from paternalism. The government has been steadily getting out from under the western wheat pools. In 1930 specific guarantees were given, and, as the Post revealed last week, these guarantees are going to cost the treasury hard cash. In 1931 working capital only was provided and here there will be no loss. The outlook is that no assistance whatever will be given the pools, or what is left of them, this year.

The second is the ruthless cutting of the National railways capital expenditures, and the estimates for the railway in general. A saving of $30,000,000 has been made on this count alone.

Sizing the situation up, it emerges that by repudiating policies of state aid, of paternalism, subsidies and the like, the government this year may gain at least $75,000,000 and probably more. This amounts to nearly 50 per cent more than it is estimated that the new taxes will yield.

Regent Knitting in 1931 Had Loss After Charges

From Our Own Correspondent

MONTREAL.—Though earnings of Regent Knitting Mills have shown an improvement in the past few months the financial statement for 1931, to be released shortly, is expected to reveal another loss, after charges. In 1930 after all charges, including a write-off for inventory depreciation, the company showed a deficit of $101,711.

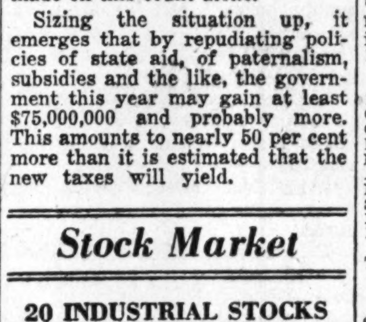
It is understood the balance sheet will reveal a further reduction in inventories. This account has caused the company worry in the past two years and every effort has been made to get stock on hand on to a sound basis. At the end of 1930 inventories were valued at $794,156; a figure of around $600,000 is looked for in the forthcoming report.

Continued hand to mouth buying in the trade has narrowed the margin of profit on sales. In an aggressive policy of reducing costs Regent Knitting has worked hard. Auditors have been called in and a firm of industrial engineers has made a thorough survey of plant operations in the past year, while a comprehensive cost-accounting system has been installed.

The fact that a profit has been shown in the past five months is encouraging in face of difficulties existing in the woollen and knit goods industry. Any marked improvement, it appears, must depend on more active buying and a more sustained movement of goods into sales channels.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Apr. 12	29.4	26.4
Week of Apr. 5	32.9	29.1
Month of April, 1931	55.7	42.6
8 Bank Stocks		
Week of Apr. 12	204	204
Week of Apr. 5	204	204
Month of April, 1931	248	241
10 Public Utilities		
Week of Apr. 12	49	47
Week of Apr. 5	52	49
Month of April, 1931	85	76

PRAIRIE WEST LOOKS TO 1932 FOR GOOD CROP

Heavy Yield of Low Grade Wheat Highly Probable in North

HORSE COMES BACK

Saddlery Firms Busy as Farmers Turn from Tractors—Spring Rains Very Important for South

Saddlery firms are busy and Prairie farmers from Emerson to Athabasca are very hopeful of crop prospects for 1932, according to reports received this week by The Financial Post.

"Nothing short of a late frost can prevent a good crop across the top half of the Prairies," according to one excellent authority who has just returned from an annual visit to the West. "It looks like a heavy crop of medium or low-grade grain across that area," he said. "There is plenty of moisture which together with a late start such as we will experience this year, usually means heavy growth with a big yield of low-grade grain."

"In southeast Alberta, southern Saskatchewan and a corner of Manitoba, sub-soil moisture is good but reserves are poor and the size of the crop will undoubtedly depend on the spring rains. The middle of June will tell the story, but at least there will be no crop failure such as last year. Damage is expected from cutworms which are invariably bad after a period of drouth, and probably some trouble from soil drifting, but the outlook is much more cheerful than at this time last year."

The fact that saddlery firms are busy, is an interesting and impor-

(Continued on page 5, col. 5).

RADIO SALES IN 1931 DROP $4,634,878

Number of Sets Sold Increases — Prices Fall 37.9%

Sales of radio receiving sets by manufacturers in Canada during 1931 increased 28.2 per cent in number but decreased 20.35 per cent in point of value, according to an analysis by The Financial Post of a special report issued by the Dominion Bureau of Statistics.

Total sets sold amounted to 286,122 compared with 223,228 sets in 1930, but value of sales in 1931, at factory prices, fell to $18,141,347 from $22,776,225 in the previous year. The net result of these two factors was that manufacturers and importers received an average price per set of $63.40 in 1931 compared with $102.03 per set in the preceding year.

Types of Sets Sold

The advance in unit sales was wholly accounted for by the increase in sales of A. C. electric sets of which sales rose from 186,494 in 1930 to 265,364 in 1931. There were substantial declines reported in the sales of combination radio and phonographs and in sales of battery sets. Sales of special sets, such as those for motor boats and automobiles, rose from 582 in 1930 to 685 in 1931.

Quarterly sales records show that 17 per cent of the sales were made in the first three months of the year, 10 per cent in the second quarter, 27 per cent in the third quarter and 46 per cent in the final quarter.

All provinces recorded increased sales of radio sets in 1931 which may be seen best from the following table:

Radio Receiving Sets Sold by Manufacturers and Importers in Canada, 1931

Provinces:	1931 Units	1930 Units
Ontario	126,404	104,155
Quebec	78,171	61,512
British Columbia	23,902	17,705
Manitoba	19,340	11,689
Alberta	13,849	8,493
Nova Scotia	9,798	8,630
Saskatchewan	7,158	6,034
New Brunswick	6,596	4,372
P. E. I.	904	638
Totals	286,122	223,228

Production Higher

One of the outstanding features of statistics for 1931 on the radio industry in Canada is the large increase in the number of sets produced. Output rose from 170,082 sets in 1930 to 291,711 sets in 1931, being an increase of 71.5 per cent. This increase in production raised the ratio of sets manufactured, to sets sold, from 76.2 per cent in 1930 to 102 per cent in 1931; a quite notable improvement.

Inventories of manufacturers and importers at December 31, 1931, amounted to 34,521 sets compared with 25,852 sets at the end of the previous year.

Licenses to operate radio receiving sets are not being issued in numbers nearly as large as radio sales would lead one to expect. This is clearly indicated in the following table:

Licenses Issued in Canada for Radio Receiving Sets

Prov.:	1931	1930	1929
Ontario	283,493	283,313	191,257
Quebec	125,152	100,398	66,630
B. Columbia	57,040	46,362	33,415
Manitoba	35,129	35,474	25,191
Saskatchewan	32,578	35,898	32,042
Alberta	28,344	25,493	20,175
Nova Scotia	21,988	18,027	12,511
N. Brunswick	13,780	12,554	7,807
P. E. I.	1,242	1,458	948
Yukon	170	139	154
Total	598,911	559,116	390,130

Highlights of the Week

Some Subjects That Make Articles for This Issue of The Financial Post

The Budget

Obviously the story of the week. Many important comments and sidelights appear in this week's issue, in fact, in practically every department the impact of the new taxes on business in general or some branch of business is shown. Particular attention is directed to "The Nation's Business" and to the front page article on Ottawa's flight from paternalism.

Employee Ownership

It has had a real testing in Bell Telephone, where most of the employees are stockholders. The stock has sold down to a new low. The Bell plan and what employees think of it now. Page 8.

Figuring Income Tax

You have to make your return by April 30. But figuring what you have to pay won't be hard if you use the convenient table on page 9.

Chemical Research

The company issues an annual report but it is not all shareholders are entitled to. A show-down by the directors is requested. Page 9.

Two More Imperialists

Sketches of J. H. Thomas and Sir Philip Cunliffe-Lister on page 4. And speaking of the Imperial Conference, see the big news story on page 1 about Premier Bennett's plan for a Canada-wide tour.

Re-building Your Estate

Did the stock market drop hit you? Life insurance can rebuild your estate. A scheme for personal analysis of your finances on page 12.

Facts on Realty Bonds

Why is it so few real estate bond issues are ever followed up by consistent annual reports? Investor is entitled to them. Page 11.

Meeting Depression

What? Somebody meeting depression? British investment trusts are doing it better than most North American ones. Article on page 13 tells why.

Imperial Conference To Tour all Canada Is Bennett Proposal

Gigantic Scheme Proposed to Enable Empire Statesmen to See All Canada and to Enable People of Canada to Grasp Importance of Meeting

OTTAWA FINALLY BEGINS PREPARATIONS

Business Men Summoned to Ottawa to Discuss Plans — Other Dominions Have Been Preparing for Months and Canada is Now Getting Its Preparatory Work Under Way

Delegates to the forthcoming Imperial Economic Conference will see Canada as a whole.

The Financial Post learns from a reliable source that Prime Minister Bennett has practically decided to take the delegates from Great Britain and the Dominions on a transcontinental tour. The entire party will cross the country on one of the two transcontinental railways and return on the other.

Two objectives will, it is hoped, be attained by this sensational display to Canadians of the political talent of the Empire and to the conference delegates of the resources and development of Canada. In the first place, Empire statesmen will be made to see Canada with its possibilities and its problems. In the second place, Canadians will be made to see the importance of the conference in Canada's political and economic development.

Provinces to Share

No announcement has yet been made by Ottawa of its plans although a hint was dropped at the recent Dominion-Provincial conference on unemployment when the provincial ministers were given the impression that each province would be asked to look after that portion of the tour within its own boundaries and at the same time to contribute to the local expenses.

Announcements from Ottawa indicate that at last the government has become seized of the importance of preparing for the Imperial Economic Conference, now but three months away.

True, the cabinet and various committees of senior civil servants have been engaged for some time past in rather perfunctory enquiries into Empire trade, raw materials, transportation facilities, existing legislation, and the like. True, also, that at the invitation of the Government one or two business organizations such as the Canadian Manufacturers Association and the Canadian Chamber of Commerce have been carrying on individual and unrelated investigations into Intra-Imperial trade.

But, until a few days ago there was no common programme of preparation, no national linking up of efforts to discover and relate the outstanding facts of our commercial position in regard to the rest of the British Empire. Elsewhere, under the British flag, preparations were begun long ago. In Britain no effort has been spared to prepare the ground for the conference. In fact, although it is not commonly known, the British Government weeks ago sent to the Bennett Government a memorandum setting out the chief points which would be raised by the British Government with respect to Canada. There is nothing to show that this document ever reached the hands of the Canadian business men who will be primarily affected by decisions reached in July next.

Action Now Taken

In the past few days, however, the Government has moved in the direction of setting up a national committee to study Canada's position in regard to the conference. Representative business and professional men have been brought to Ottawa and put to work, under the direction of Dr. O. D. Skelton, under Secretary of External Affairs. Theirs is a task of the greatest importance and magnitude and it is to be hoped that a concrete, well-considered policy for this Dominion will be formulated before the conference opens.

This, of course, is not to say that the Government may not have been studying the Empire trade position. The remark passed by the Prime Minister at the recent Dominion-Provincial Unemployment Conference indicates that this country, as a whole, is to be made to realize the importance of the event. As stated above it is the present intention of the Government to take the entire conference on a tour of Canada, crossing to the coast over one railway and returning by the other. All the provinces will be expected to contribute their share toward the entertainment.

Little Immediate Hope For New Zealand Pact

Negotiations Said to Have Hit Snag and Treaty Not Expected Much Before Imperial Conference

From Our Own Correspondent

OTTAWA.—Despite the fact that representatives of the New Zealand and Canadian governments reached agreement on a trade treaty at Honolulu last January, the hopes of statutory endorsation of such a pact seems no nearer realization today than six months ago.

The precise reason for the delay in announcing the new treaty or in explaining just what the cause of the delay is, cannot be learned with finality here for the simple reason that members of the cabinet are more than reticent.

Political Problems Arise

It is understood, however, that some of the items in the Honolulu agreement have proved impossible of achievement in the light of existing political conditions in Canada. One item in this category almost certainly is raw wool. It is believed that Hon. Harry Stevens, the Canadian minister who went to Honolulu, undertook to give New Zealand some concessions on wool, but in recent months the Canadian wool producers have put up a strenuous fight for additional tariff protection and have won the support of the rank and file of the government party.

A few items of this kind have had the effect of re-opening the treaty discussion, of revealing great difficulties in the way of renewed agreement. The result is that the recent budget did not contain any of the tariff changes which a new treaty will require before becoming effective.

Mr. Stevens has promised to make a statement to parliament before prorogation but the concensus of opinion at Ottawa is that treaty negotiations will be renewed when the Imperial Economic Conference meets in July. In other words, failing a sudden change of heart on the part of New Zealand there is no immediate prospect of a treaty.

BETTER TRADE WOULD BOOST TAX ESTIMATE

Rhodes Bases Plans on Assumption Business Stays Low

SALES TAX BIGGEST

It is Expected to Show $22,000,000 Increase—Import Tax to Bring in $12,000,000

From Our Own Correspondent

OTTAWA.—Unlike the budget of 1931, Hon. E. N. Rhodes, Finance Minister, in his financial statement of last week made no effort to estimate what each particular tax increase would net the treasury.

Lumping all taxation increases together, Mr. Rhodes estimated the revenue return at $55,000,000. The absence of individual estimates probably is due to the fact that last year Rt. Hon. R. B. Bennett attempted a forecast of this kind, and the event proved him to be in error to the tune of nearly 100 per cent. Mr. Bennett's error, of course, was due to two factors: To begin with he altered many of his tax bills in the committee stage, thereby vitiating his earlier estimate. He abandoned his income tax revision, practically left the sales tax as it stood previously, except for the raising of the rate of the tax. In addition his estimate was based upon the business volume of 1930-31, whereas the past year, 1931-32, brought a sharp shrinkage both in dollar values and in volume.

Counts on no Improvement

This year Mr. Rhodes has been very cautious in his estimate of the revenues to be reaped from higher taxation. He has not anticipated any improvement in business, nor any rise in price levels—which, naturally, would enhance all ad valorem revenue imposts. He has, in fact, erred, if at all, on the side of under-statement.

While no individual estimates were given, enquiries at the finance department, plus the application of the higher taxes to the yields of last year, give these figures:

	Expected increase in taxation
Sales tax	$22,000,000
Corporation tax	8,000,000
Personal income tax	8,000,000
Tax on imports	12,000,000
Nuisance taxes	5,000,000

Obviously these are low estimates. They mean that a six per cent sales tax will yield but $63,000,000, whereas, if business makes any return to normal, the yield would be near $90,000,000.

Tax Family Corporations

The increase in the corporation tax from 10 to 11 per cent is difficult to gauge, since there are fundamental changes in the statute. Family corporations, hitherto exempt, are now taxable. On the whole, the figure of $8,000,000 is very low. The personal income tax increases are also baffling to the forecaster. The reduction in exemptions throws the entire taxable income into higher brackets and also brings into the picture many new taxpayers. The figure of $8,000,000 here is also deemed to be low.

The tax on imports is calculated on the basis of last year's trade, one of the smallest trade years in our history.

By and large, it would occasion no surprise to Ottawa if the new taxes yielded $75,000,000 instead of $55,000,000. As to that, of course, everything depends upon price trend and business volume. The government, however, seems to be through with optimistic estimates. The future cannot bring disappointment, but is quite likely to give the government much needed elbow room in the matter of finance.

Shipping Clearances in Canada

Shipping of all kinds entered and cleared at Canadian ports in the fiscal year ended March 31, 1931, increased by 8,413,521 net tons, compared with the total net tonnage of the previous fiscal year. Net tonnage of sea-going and inland shipping exclusive of coasting, in the last fiscal year was 90,911,876 tons, and in the previous year 89,438,789 tons.

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(Prices differ slightly in some localities)

Superbly finished . . . and with that same smart styling and individuality which has made the Brock the leading Canadian hat.

CANADIAN OIL MADE REDUCTION IN LOANS

Working Capital is Higher—Adds $220,000 to Fixed Assets

Canadian Oil Companies Ltd. refiner of gasoline and lubricating oils, completed the year ended December 31, 1931, with surplus of $1,081,039, an increase of $29,166 over the previous year. Earnings statement is not published. The company increased working capital $8,150 and by reduction of inventories and receivables was able to reduce bank loans by $350,000. Capital investment was increased.

Current assets total $3,263,455; current liabilities, $565,387. Cash is higher at $156,746; receivables have been reduced to $1,177,035 from $1,353,159 and inventories to $1,894,196 from $2,185,219. Bank loans are down to $100,000 from $450,000 and accounts payable to $465,387 from $602,077. Fixed assets are divided for the first time real estate being shown at $957,581 and plant and equipment at $6,336.958, a total of $7,294,539 or $220,000 more than in 1930.

Depreciation reserve was increased by $198,995 to $3,635,357. Reserve for bad debts remains at $100,000. There is 20,000 shares of $100 par value 8 per cent preferred stock and 143,764 shares of no par value common stock outstanding. Dividends have been paid regularly.

Capacity of Grain Elevators

The latest figures of the Dominion Bureau of Statistics show that Canada's grain shipping facilities include 5,872 elevators with a total capacity of 414,660,260 bushels. Of these, 5,734 are country elevators with a capacity of 192,828,000 bushels.

When Travelling—

take your funds with you in convenient and readily convertible form. Secure a Letter-of-Credit at any branch of this Bank.

THE BANK OF NOVA SCOTIA
Established 1832
Capital $12,000,000. Reserve, $24,000,000.
Total Assets over $265,000,000

A Patterned
SHIRT . . .
And A Harmonizing
TIE

To be in Fashion this Spring men should choose a patterned shirt . . . then select a tie in matching colors . . . making sure the two agreeably harmonize or pleasingly contrast the suit they wear.

Be an individualist. Adopt this ensemble idea. Come in and see our new patterned shirts . . . see our fine stock of new ties. If you fear to trust your taste in colors, one of our salesmen will gladly assist you.

MAIN FLOOR, YONGE STREET

Patterned Shirts in Colors for Spring, each, $2.00 to $4.00

Big Selection of Neckwear to Select a Blending Color from, at each $1.00 to $3.00

T. EATON C°. LIMITED

The Nation's Business

(Continued from Page One)

it assumes that the $6,000,000 spent on the Hudson Bay Railway; the $40,000,000 spent on capital account by the Canadian National Railways; the $17,000,000 spent on capital account by the Dominion government, were all useful, legitimate expenditures that are now worth to the taxpayers what was put into them, hardly a conservative assumption but one that we can justifiably make until they have been proven otherwise.

And too, if the country had been operated as a business concern, there would properly have been charged to current account a very large sum of money to represent the establishment of a sinking fund on government and railway debts previously assumed by the people. But since no attempt was made to pay off any of the thoroughly non-productive items in the government debt, since all the burdens of the war and the railways and other public works are being carried forward for the taxpayers of another year or perhaps another generation to worry about, nothing has been allowed in our figuring.

* * *

HERE in summary form are the figures given above:

Dominion Government Deficit on Current Account, 1931-1932

Ordinary revenues		$335,000,000
Ordinary expenditures	$379,000,000	
Special expenditures on current items and non-active loans	58,000,000	
	$437,000,000	
Current deficit		$102,000,000
C. N. R. deficit		58,000,000
C. G. M. M. deficit		1,000,000
Total deficit		$161,000,000

How does this compare with the record of previous years. On a similar basis the surpluses and deficits of the past five years have been as follows:

Five Years Record

	Surplus	Deficit
1927-28	$64,000,000	....
1928-29	93,000,000	....
1929-30	54,000,000	....
1930-31	....	$95,000,000
1931-32	....	161,000,000

* * *

WHAT are the prospects for 1932-1933? The government estimates ordinary revenues, on the basis of the increased taxation, of $374,000,000. It estimates ordinary expenditures of $370,000,000. This looks like a surplus—but wait! Mr. Rhodes admits that $16,000,000 of unemployment and farm relief expenditures are being carried over into the coming year. This together with an absolute minimum allowance for non-active advances and other special expenditures will total $24,000,000. The minister of railways forecasts a C. N. R. deficit of $42,500,000. The Canadian National Steamships will go behind at least a million dollars. Put these items all together and they forecast a deficit of $64.000,000 — assuming that revenues amount to what is anticipated and assuming no new and unforeseen expenditures are undertaken.

The figures may be put in tabular form:

Probable Deficit, 1932-33 (In Millions)

Ordinary revenues		$374,000,000
Ordinary expenditures	$370,000,000	
Special expenditures, etc., probably	24,000,000	
		$394,000,000
Current deficit		$20,000,000
C. N. R. deficit		43,000,000
Steamships def.		1,000,000
Total deficit		$64,000,000

* * *

The moral is clear. If Canada is not to go behind in the coming year the government must radically revise its spending programme and find a way to cut $64,000,000 off the outgo of the government on all accounts.

* * *

Broader Basis for Income Tax

OF THE changes in the income tax it can be said that they might easily have been worse. If the government was intent on substituting new taxation for economy in its fictitious budget balancing it was inevitable that the income tax would be arranged. The bright idea that last year's finance minister (Mr. Bennett) had, of reducing the clerical work of the income tax staff regardless of the incidence of the rates was abandoned.

There are three features to the increase in the tax. There is the elimination of the 20 per cent reduction put into force by the late Hon. James A. Robb. There is the surtax of five per cent, involving a vicious principle but done on a fairly modest scale.

And thirdly there is the broadening of the base upon which income taxation rests by reducing the exemptions. This is a progressive development. The thousands of people who will be brought into the scope of the income tax will pay very small amounts, but the broader basis of income taxation will lead to greater stability in revenues, to more equitable distribution of the tax burden and, as rates are reduced, to greater incentive for capital investment by those who can accumulate something. Great Britain's income tax has always rested on a very broad basis and the rates are practically uniform throughout all the brackets. Even the very small incomes pay five shillings in the pound. So long as we have the income tax there is much to be said for maintaining it on a broad basis and future governments as they adjust the rates downward, might consider reducing the initial exemptions even more than Mr. Rhodes has done.

* * *

THE British income tax provides about 50 per cent of government tax revenues; the U. S. tax (as recently amended) about 37 per cent. Last year the income tax produced 22 per cent of Canadian tax revenues. If the new tax raises the income tax revenue by 10 per cent (Mr. Rhodes presents no detailed estimate) the proportion would be 21 per cent.

It is apparent that we are not using the income tax as other countries are, which may explain why provinces and cities have invaded the field. An American commentator says:

"The income tax, which is the most desirable of all taxes, because it is the fairest and the most visible, is a relative failure in the United States. Compared with the British it has two great weaknesses; it has a hole at the top through which the rich can escape into tax-exempt bonds, and it has a hole at the bottom because Congress hesitates to tax small and medium incomes.

"With these holes in it, the American income tax is a fair weather tax. It is very productive when profits are big. But in times like these it is ludicrously inadequate."

We have largely eliminated the hole at the top but the income tax is still a fair weather tax, unstable as a revenue producer, because it bears so heavily on large incomes, which normally are subject to great fluctuations, and touches not at all the smaller incomes.

* * *

Helping Others to Waste Millions

THE budget speech reveals the extent to which the thoroughly unsound experiment of looking after the problems of other governments has been carried. "In order to protect the credit of Canada as a whole," according to Mr. Rhodes, Canada has poured millions into provincial and municipal coffers.

What are some of the things that the Dominion of Canada has done to "protect the credit of Canada as a whole." In the first place it assumed guarantees in connection with wheat pool loans when the western provinces had gone the limit with this unwise type of financial arrangement. Of these guarantees only brief mention is given in the budget speech.

* * *

THEN the government proceeded to hand over millions of dollars in the form of contributions to public works undertaken by the province and municipalities in the guise of unemployment relief. Quite apart from direct relief, chiefly to distressed persons in Saskatchewan, quite apart from bonusing wheat growers in the west, the government contributed millions to be spent by other governments. Under the 1930 Unemployment Relief Act $13,250,000 was spent in 1931-32, of which approximately $10,000,000 was handed over to other governments. (The budget does not go into details). Under the 1931 Unemployment Relief and Farm Relief Act, $12,000,000 was donated to provinces and municipalities. In addition the four western provinces were granted loans of $22,000,000 in order that they could finance their various maturities and current needs.

Of these juicy millions that poured out of the bunghole of Ottawa's frenzied treasury it is hoped that the $22,000,000 of loans will some day be repaid and it is hoped too that the wheat pool guarantees also will be wiped out in time. Nevertheless it is a very menacing situation that the government should in one year have handed over more than $20,000,000 in cash to be spent by other governments.

* * *

ONLY one thing ever brings a spending government — whether a provincial or municipal government—to its senses. That is to reach the end of its tether; to reach the point where it can not raise money to carry out the programme it has set down for itself. When a government reaches that point it should do what a private individual or company would do in the same circumstances, stop spending money.

It would have been, in the long run, the best thing that ever happened to the taxpayers of the four western different provinces of Canada, if the Dominion had forced them to forage for themselves. Millions that have been wasted in the past two years would have been saved for the general public. Millions extravagantly spent in a vain effort to provide jobs at public expense would have been saved by the people of Canada, who would have had the spending and investing of it to do themselves. In this spending and investing they would have created for this country a much larger measure of prosperity than we have enjoyed.

* * *

IT MAY be argued that if the Dominion government had not come to the rescue of the provinces one or more of them would have had to default on their obligations. We are very proud in Canada of saying that no provincial government has ever defaulted on its bonds. But when a government spends itself into insolvency the only thing for it to do is to default and make the best settlement it can with its creditors on whom little sympathy should be wasted if they are so foolish as to buy its bonds when it is running wild on a financial jamboree.

Rt. Hon. Mr. Bennett has set a precedent that may cost the country a great deal in the future. Provinces can now spend money without worrying about any day of reckoning. When that day approaches, a beneficent central government will look after them, whether they deserve it or not.

If the Dominion and provincial governments keep it up there will be only one way out; to start the printing presses turning, to pay off all government debts with worthless paper money, then to write down that paper money the way Germany and France did, and to start off with a clean sheet, hoping a new generation of investment suckers will put up their capital to be extinguished by a bureaucratic socialism and paternalism.

* * *

Cost of Government Must be Deflated

NO GOOD can come from protesting against the new taxes levied by the Dominion government. If the government is to continue spending money at the rate it has projected for the coming fiscal year, the new taxes are quite inevitable. Public protest will accomplish more if it is directed against the reasons back of the new taxes and back also of the alarming new levies of the provincial and municipal governments from coast to coast. To deflate taxes it is necessary to deflate the cost of government. To deflate the cost of government it is necessary to deflate our ideas of what constitutes the proper sphere of government.

Put all together, the economies effected by all the government bodies in Canada in their budget plans for the forthcoming year, are but the feeblest response to the imperative demand for a wholesale slashing in the costs of government.

We in Canada may chuckle at the confused Americans, trying to stem a three billion dollar federal deficit by $125,000,000 or economies and over two billions of new taxes, but we are presenting to the world the same sort of spectacle. By the old dodge of charging to capital expenditures many new expenditures such as unemployment relief, wheat bonuses, etc., we are attempting to fool ourselves into thinking that we have cut the cost of government. But the truth of the matter is that the national income is down twenty-five per cent from the 1928 peak while the cost of government has been reduced, taking the country at large, by not more than five per cent and probably not at all in the aggregate.

That is the truly disturbing fact in the present situation because it makes it quite clear that Canada is merely deferring the inevitable deflation and insuring itself of several years of depressed conditions.

* * *

A GREAT appeal is being made to the people to make sacrifices now to help their governments; to stand for new taxation without complaining to see their country through. The hypocrisy of this appeal should put our politicians to shame. It is certainly not fooling the public. It is doubtful if there are three governments in Canada that could be re-elected if they went to the people now. The public is disgusted with the failure of their rulers to bring down the shameful cost of government and yet the governments themselves are not sufficiently close to public opinion to realize that fact; or to realize that economy would be popular.

The wastes in government in Canada are obvious. Specifically many of the forms of waste have been outlined in articles in The Financial Post in recent months. Little attempt is being made by governments to search out these wastes. During the present session of Parliament all sorts of committees are sitting at Ottawa. But there is no committee on efficient and economical government.

* * *

EVERY government in Canada must set itself certain well defined objectives to be pursued relentlessly in the next few years if complete national insolvency is to be avoided. This policy must include the following planks:

1. Every function now performed by government that can better be performed by the individual for himself, or for himself and others, should be divorced from government and handed back to individuals.

2. Every group of individuals should be made, so far as possible, to bear the exact cost of governmental functions that are performed for them. This means a wholesale eradication of subsidies, grants, bonuses, etc. As our news article on page one shows, the Dominion is taking a long stride in this direction this year.

3. Every yearly budget should be made to bear the cost of all out-of-pocket expenditures properly chargeable to that year.

4. Efficient administration of every department should be insured.

5. A definite scheme of reduction of existing debts should be entered into.

In short, the crisis in public finance in Canada has been brought on by unwise efforts to have government do for people a multitude of things they should do for themselves, and the way out is by a more self-reliant individualism in the body politic.

* * *

That Stupid Tax on "Foreign" Insurance

ONE feature of the budget which drew blood immediately was the 15 per cent tax on gross premiums of all insurers using British or foreign insurance companies not maintaining a deposit at Ottawa. This is being attacked (and we believe rightly so) on two grounds, namely, that it constitutes discrimination against a manner of carrying on the insurance business, namely, the mutual plan, and also because it would seem to be a direct breach of good faith on the part of the federal government at a time when every effort is bent toward a satisfactory compromise in the matter of federal-provincial insurance jurisdiction.

The discrimination lies in the fact that gross premiums (which are the basis of the tax) represent deposits under the mutual system of insurance and in the case of the New England factory mutuals which are most largely affected, the deposit is on the average about twenty times greater than the actual net cost of insurance. Thus a 15 per cent tax on gross premiums would be a levy of no less than 300 per cent or, in an actual instance, $150 on a net premium of $50. Such a tax is plainly prohibitory and since all other insurance companies whether British, foreign or Canadian, are taxed one per cent on net premiums, it is just as if the government were to single out—in the automobile field for instance—not all foreign makes of cars but one individual make and were to tax it at a rate several thousand per cent higher than all other makes.

* * *

AS FOR it being a breach of faith, it is well known that for many weeks, the leading insurance executives of the country have been doing their utmost to reach an understanding between the provinces and the federal government in regard to jurisdiction. This very tax has for some time been a leading bone of contention and was declared ultra vires of the federal government only last fall by the Privy Council.

The fact that the government has revived it in a new form would seem to be in deliberate defiance of the provinces under which these companies are licensed, and on this ground is being vigorously attacked by the provinces. If the federal government is serious about reaching an agreement on jurisdiction, such a move as this would seem to be foolish and ill-timed, to say the least.

HIGHER TAXES INCREASE PRICES ON FOOD LINES

But Canned Goods, Sugar and Tea Get Agreeable Surprise

The increase of 2 per cent in the sales tax and 2 per cent in the excise tax on imported lines has naturally had the effect of increasing costs of all foods subject to these imposts, according to a special survey by Canadian Grocer, Toronto. The fact that the import tax is collected on the duty-paid value of imported goods, and that the sales tax is paid on the duty-paid value plus the import tax means that the increase in cost is a good deal more than 4 per cent on the first cost of the goods.

For instance, on a car of raisins from California weighing 60,000 lbs. the increased cost laid down in Toronto amounts to $265 or approximately 7½ per cent of the f.o.b. coast price. Of course, there is a heavy duty on California raisins—4c. per lb.— and this has something to do with the increase. It is also interesting to note that on a car of raisins costing $3,600 f.o.b. California, the Canadian Government now collects in duty, import tax and sales tax more than $2,900 or 83 per cent of the original cost.

Biscuit Prices Rise

A number of food items are taken from the exempted and partially exempted list and will in future have to bear the full 6 per cent tax. This has advanced many biscuit prices, inasmuch as biscuits were formerly exempt up to 50 per cent, so that there is an increase in cost to the trade from 2 per cent to 6 per cent. Biscuit manufacturers some time ago made representation to the government that it was unfair to exempt bakers' cakes, etc., and tax biscuits since the two were in competition. Hon. Mr. Rhodes evidently listened to their plea for he has taxed bakers' cakes the full 6 per cent except where the producer sells less than $100 worth per week.

Package cereals also have to carry the full 6 per cent tax as against total exemption and they have all advanced 10 to 20 cents per case.

In spite of the fact that there is an extra 2 per cent sales tax on tea and an extra 2 per cent excise tax, the large Canadian tea packers have reduced prices 10c. per lb. As a matter of fact the packers have felt for some time that prices should come down in view of lower prices in primary markets, but they have been waiting for the Budget. Some anticipated that the duty on British grown tea might be raised from 4c. to 10c. again but this did not materialize.

Canned Goods Exempt

Canners were expecting that their products would have to bear the full 6 per cent sales tax, but were agreeably surprised when canned goods were again exempt up to 50 per cent. The increase is therefore only 1 per cent. There has been a lot of buying ahead in canned goods of late, but this was more in anticipation of higher prices anyway rather than an increase in the sales tax.

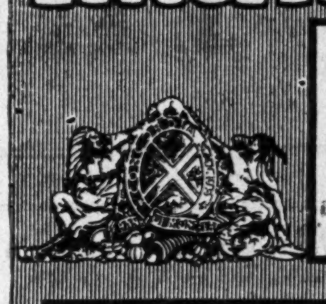
A good many buyers speculated on a sales tax on sugar which did not come through and now there is a danger the sugar market may drop in view of the weakness in raws. The extra 2 per cent excise tax on raws would only mean about 4c. per hundred, so that a ten-cent drop would wipe out anything saved by buying prior to the budget.

The increase in the corporation income and cheque stamp taxes plus the new Ontario impost of 1 per cent on net profits is forcing many food manufacturers to revise prices upward and yet they have to exercise great care for fear consumption of their goods drops. They are between the devil and the deep sea.

Vancouver Grain Exports Higher

Grain exports from Vancouver for the month of March were nearly 1,500,000 bushels heavier than in March, 1931, according to the monthly report of the grain department of the Vancouver Merchants' Exchange. Last month a total of 7,765,000 bushels were moved outward to world markets, whereas in March, 1931, the total was 6.273,791 bushels.

International



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There are no "ups and downs" in these Simpson shirts—every one is of the same quality—a fine woven broadcloth with buttons of the better grade and superbly finished in every detail.

And strong — unless you're a Sandow you can't tear 'em apart!

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The manager of our nearest branch can secure complete and valuable information for you through the Bond Department of this Bank. It is operated solely to give helpful investment service to the bank's customers.

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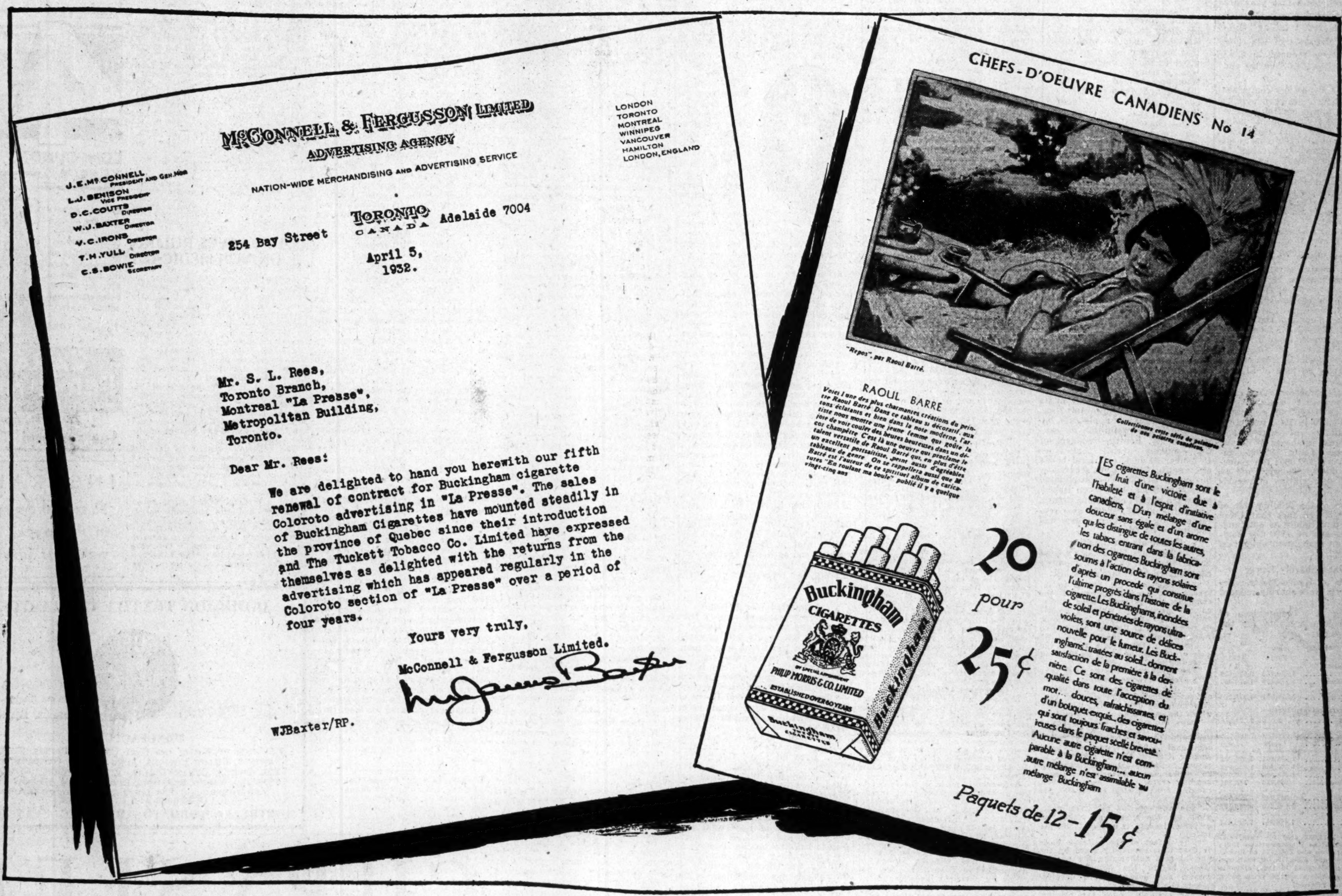

THE above letter clearly shows the good results which can be obtained by advertising in La Presse Coloroto Magazine. Tuckett Limited are using the back page of our Magazine in four colours. Its circulation is around 200,000 copies per issue, blanketing French Montreal and suburbs besides reaching out into 1600 towns, villages and post offices in the Province of Quebec. La Presse is read by the "key" French families all over the Province. Its circulation far exceeds that of any other French publication. Advertising rate is low, circulation tremendous, results assured. Find out to-day about this big advertising "buy" and make arrangements to run copy therein for your own profit. Remember—what La Presse Coloroto can do for "Buckingham," it can do for you!

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Utilities and Transportation

HYDRO SECURITIES REPORT REFLECTS CAPITAL CHANGE

General Housecleaning Cuts $36,746,895 from Structure

From Our Own Correspondent

MONTREAL.—A general housecleaning is indicated in the annual report of Hydro-Electric Securities Corp. for 1931. Proposals approved by the shareholders last year are reflected in the balance sheet which shows write-offs totalling $36,746,895. Total assets of the company have been reduced to $27,529,210 from $66,170,674 at the end of 1930.

The major deduction comprises $26,808,895 which has been written off common share capital against depreciation of investment holdings. The other item comprises cancellation of 993,800 shares of class "B" preferred stock valued at $9,938,000; these shares were surrendered by International Holding and Investment Co. and Société Anonyme de Placement in payment of a liability to the corporation of a like amount representing the uncalled balance of subscription to 496,900 common shares to which they were committed.

Report Shows Changes

The 1931 balance sheet gives effect to these changes. Net value of investments is shown at $26,272,432 compared with $54,148,100 at the end of 1930, the figures at the end of last year including the appropriation of $26,808,895 from common stock account. In addition, an investment reserve of $8,598,828 has been appropriated from earned surplus leaving surplus at $1,486,416.

The capital structure shows class "B" preferred stock outstanding to the extent of $10,062,000 compared with $20,000,000 in 1930 reflecting the cancellation of shares and 1,476,393 common shares of no par value are carried at $7,381,965 compared with $34,190,860; the reduction being due to the write off on account of depreciation of securities.

A feature of the liability side of the ledger is the fact that there are no current liabilities outstanding; at the end of 1930 the company had an unmatured obligation of $2,637,342.

Earnings Sharply Lower

Earnings of Hydro-Electric Securities Corp. were sharply reduced last year.

Following is a comparison of profit and loss accounts for the past two years:

	1931 $	1930 $
Ordinary Income		
Divds. & interest (cash)	1,830,752	2,599,420
†Div. rec. (stock)	1,189,179	1,673,456
Tot. ord. income	3,019,931	4,272,876
Extraordinary Income		
Other profits	2,028	3,224,874
Total income	3,021,959	7,497,750
Expenses, etc.	53,494	71,458
Net for div.	2,968,465	7,426,292
Pref. div.	1,000,000	1,144,993
Com. div.	1,476,393	2,859,078
*Directors' fees	150,830	143,301
Year's surplus	341,242	3,278,920
‡Prev. surplus	1,145,175	6,063,552
P. & L. bal.	1,486,417	9,342,472

†Of stock $671,858 sold for cash, and $517,321 retained as investments in 1931; $1,187,682 for cash and $535,774 as investment in 1930; and $606,318 for cash and $625,827 as investments in 1929, amounts retained being value at market prices as on dates dividends received.

‡After appropriation of $8,197,297 to investment reserve, being profits realized on investments in 1927 to 1930, inclusive.

*Previous year.

Retains Large Holdings

It is pointed out by A. H. Lang, secretary of the company that the investment held in common shares of Electric Shareholdings Corp. has been retained. More than half the assets of this company comprise common stock of the North American Co.

Hydro-Electric Securities' holdings in United States Electric Power Corp. remain unaltered. Principal assets of this organization are about 70 per cent of the equity of Standard Power and Light Corp. which owns over half of the common stock of Standard Gas and Electric Co.

Approximately 73 per cent of Hydro-Electric Securities' investments are in United States companies; the remaining 27 per cent is in Brazil, Great Britain, Spain, Belgium and Italy in that order.

Sudbury Chickens Are Panning Gold

A gold nugget three grains in weight, worth about 25 cents, was recovered from the crop of a chicken being prepared for the Easter dinner of Oscar R. Smith, of Sudbury.

Mr. Smith is a diamond drilling contractor and was quick to recognize the well rounded golden pebble among the gravel in the chicken's crop.

It is not reported that Mr. Smith proceeded to kill off his flock to mine the gold, but it is thought probable that the recent load of gravel, provided for his chicken pen, was responsible. A short time ago a load of gravel was brought from the Coniston road gravel pit, near Sudbury, that his chickens might have the necessary grit to meet their peculiar gastronomical needs.

As yet no rush to stake the gravel pit has followed.

BONDING POWERS CANADIAN PACIFIC ON WIDER SCALE

Further Financing When Market Warrants is Indicated

From Our Own Correspondent

MONTREAL.—Following upon application of the Canadian Pacific Railway, the company has been given authority by the Federal Government to extend its bonding powers to a point not exceeding one-half of the present aggregate investments of the company in its railway and steamship enterprises.

In supporting this application before the house committee on railways, E. W. Beatty, president of the company stated that since December 31 last, collateral bonds aggregating $12,500,000, secured by pledge of $17,000,000 consolidated debenture stock, have been issued, and when market conditions permit, an additional $25,000,000 now represented by short term notes, will require to be funded.

Comments on Bonding

Following are Mr. Beatty's comments in part on the company's consolidated debenture stock bill:

"The object of the bill is to increase the bonding power of the company. Its present power is fixed by special acts relating to its railways and steamships. In the case of railways it is limited to specified rates per mile of the various lines comprised in the system and in the case of steamships to an amount not exceeding cost.

"The authorized mileage rates vary very greatly over the system, depending on the standards of construction and equipment at the time of construction, and the territory through which the particular lines are built.

"Thus the original bonding power in respect of the main line is $10,000 per mile increased in 1889 by an additional £500 sterling per mile making it about $12,000 per mile. In respect to lines constructed in the last 25 years the authorized mileage bonding rates have been higher, ranging from $30,000 to $50,000 per mile.

"The average for all lines operated by the company, either as owner or lessees, is under $25,000 per mile.

"The defect of the mileage basis is that it is commonly fixed by the special acts authorizing the various lines, before the actual cost is known and before future developments can be foreseen.

"For example, since the original construction of the mail line, vast expenditures have been made in double-tracking, in construction of tunnels and bridges, reduction of grades and curves and in the provision of terminal facilities of every kind, and the same is true of all other lines in varying degree.

"By the bill it is proposed to increase the bonding power, but to relate it definitely to cost, by providing that the securities issued by the company shall at no time exceed one-half the property investment of the company in its various authorized undertakings, that is to say, in railways, steamships, telegraphs, hotels and their accessories.

"It is submitted that this is a sound plan of finance, affording ample protection to security shareholders. It means that of every capital expenditure made by the company the shareholders shall provide one-half, either from the issue of capital stock, or from undistributed earnings."

A Well-Secured Utility Bond...Yielding 6.75%

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INTERNATIONAL HOLDING PROFIT SHOWS INCREASE

Wide Depreciation in Market Value of Securities

From Our Own Correspondent

MONTREAL.—Balance sheet of International Holding and Investment Co. at the end of 1931 reflects cancellation of the company's liability to Hydro-Electric Securities Corp. The company was committed to purchase common stock of the latter company to the value of $9,300,000 and in return for release from this International Holding has surrendered $9,300,000 of Hydro-Electric Securities class "B" preferred stock for cancellation.

This arrangement is given effect in the balance sheet. At the end of 1930 balance payable on purchase of securities totalled $9,314,720; at the end of 1931 the item had been eliminated.

Investments Show Decline

Market value of investments of the company shows a wide decline, according to a footnote in the balance sheet, though they are carried at cost. Investments at cost, less $16,152,293 written off in 1928 and 1929, are carried at $35,565,756 compared with $44,776,399 at the end of 1930. Market value at the end of last year was $13,656,673 in Canadian currency. No provision has been made for depreciation of investments in 1931, auditors point out, nor has any provision been made for payment of the guaranteed dividend of the Fisa Co.'s "A" shares for 1931. This guarantee cost International Holding and Investment $471,600 last year in respect of the 1930 dividend.

Total income showed an improvement in 1931 amounting to $1,102,813 against $818,780 in the previous year. After expenses and payment of the Fisa dividend there remained a net profit for the year of $590,147 compared with $306,153 in the year 1930. No dividends have been paid for the past two years.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1931	1930
Total income	$1,102,813	$818,780
Less: Gen. expenses	33,770	33,955
Transfer fees	7,296	8,372
"Fisa" dividends	471,600	470,400
Surplus for year	590,147	306,053
Add prev. surplus	306,053	......
	896,199	306,053

Loan Receivable Higher

In addition to investments of $35,565,756 at cost, assets include an unsecured loan repayable in 1934 of $1,400,000, an increase of $300,000 over the previous year. Cash totals $43,236, an increase of $37,000.

In liabilities, loans total $903,638 compared with $761,680 and other liabilities are down from $368,793 to $44,434. Balance payable on purchase of Hydro-Electric Securities common stock has been eliminated. Capital structure of 4,882,530 common shares is unaltered.

Contingent Liability Shown

The contingent liability in respect of the dividend guarantee on the Fisa "A" shares is again shown. This guarantee extends for 30 years from 1928. Another contingent liability is an agreement on the part of the company to advance $600,000 to a Belgian concern if called upon to do so. At the end of 1930 this figure was $900,000.

Reference is made in the report to the further depreciation in investments in the artificial silk industry. As at the end of 1931 International Holding and Investments portfolio comprised 48 per cent in public utilities; 36 per cent in artificial silk securities and 16 per cent in miscellaneous. The company's holdings of preferred and common shares of Hydro-Electric Securities Corp. remains its principal investment.

NORRIS SCORES TAX ON PRIVATE UTILITY

Montreal Power's Levy is $1,155,561 For 1931

From Our Own Correspondent

MONTREAL.—Though general increases were expected in the budget, J. S. Norris, vice-president and managing director of Montreal Light, Heat and Power Consolidated, deplored the fact that no attempt was made to equalize the burden of taxation, as between privately owned and publicly owned utilities. He continued in part:

"With the increases now put into effect the consumers of gas and electricity in Montreal will pay an amount of $1,155,561.64 for the year 1931. Yet no such levy is made upon similar consumers in Ontario and elsewhere where publicly-owned utilities operate, often in competition with privately-owned companies.

"It is calculated that the remission of such discriminatory Federal corporation income tax would permit a reduction in the present maximum rate for electricity of 3 cents per kilowatt-hour in Montreal to 2.52 cents per kilowatt-hour; or of applied to gas service the present maximum rate of $1.05 per thousand cubic feet could be reduced to .85 cents per thousand cubic feet.

"This company has made many attempts to obtain justice for its customers and in its frequent appeals to the government has been supported by leading public bodies, business organizations and the press in the City of Montreal, the Province of Quebec and in other parts of the Dominion.

"It is highly reprehensible that such unequal method of taxation should exist at all but that it should be aggravated at a time like the present calls for prompt protest from those adversely affected."

Newsprint Makers Strike Ended at Corner Brook

From Our Own Correspondent

MONTREAL.—Paper-makers strike at the plant of International Paper and Power Co., Cornerbrook plant, in Newfoundland, has been ended. The men had gone out in dissatisfaction with certain changes in working conditions; terms under which an agreement was reached have not been made public. Operations, however, have been resumed.

Public Utility Earnings

Winnipeg Electric Co.

February:	1932	1931
Gross earnings	$499,759	$495,850
Operating expenses	339,603	342,875
Net earnings	$160,156	$152,975

Manitoba Power Co.

February:	1932	1931
Gross earnings	$125,436	$97,150
Operating expenses	30,798	23,689
Net earnings	$94,638	$73,461

'J.H.' is Strong Imperialist; Lister is New Figure

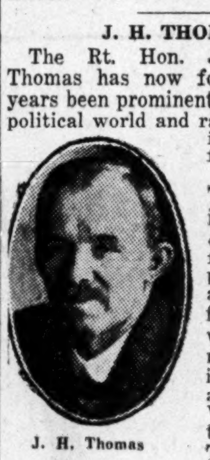
Secretary For Dominions and Minister of Crown Colonies Slated For Forthcoming Imperial Conference

By JOHN A. STEVENSON

Two important members of the British government delegation to the Imperial Economic Conference at Ottawa in July will be J. H. Thomas and Sir Philip Cunliffe-Lister.

J. H. THOMAS

The Rt. Hon. James Henry Thomas has now for a score of years been prominent in the British political world and ranks as one of its more colorful figures.



J. H. Thomas

"Jimmy" Thomas, as he is called by everybody from peers to postmen is the architect of his fortunes for he was born in a modest working-class home at Newport in Wales on October 3, 1875. The circumstances of the family purse precluded any education beyond what the local national schools could offer and at the age of fourteen he started work as an errand boy. Some years later he entered the service of the Great Western Railway as an engine cleaner and in due course he graduated first to be a fireman and then an engine driver. At the start of his railway career he had joined the local railwaymen's union and in his early twenties his gifts as a speaker and organizer had won him a recognized position of leadership. Swindon, an important railway centre was his headquarters and there he made his debut in public life when the solid backing of the railwaymen's vote elected him to the municipal council. Meanwhile he had also become active in the propaganda work and councils of the Labor party, which had developed its first real parliamentary strength at the election of 1906. At the election of 1910 when Richard Bell, the railwaymen's chief spokesman in parliament, decided to retire from politics, "Jimmy" Thomas fell heir to the seat at Derby which Bell vacated and as it was another railway town he was easily elected, sharing the representation of the double-barrelled seat with a Liberal.

Supported War Effort

His breezy style of oratory both amused and attracted the House of Commons but he did not cut much figure until the Great War began. By this time he had also come to occupy an important position in the trades union organization through his accession to the post of general secretary to the National Union of Railwaymen and he became one of the leaders of the wing of the Labor party which heartily supported the war and refused to back MacDonald and Snowden in their pacifist attitude. Between Lloyd George and "Jimmy" Thomas there was the bond of common Welsh blood and when the former assumed the premiership in 1916, he found Thomas a most useful ally in managing British Labor. But, when the war ended, Thomas at once went into opposition and bent all his energies to building up the strength of the Labor party in the country. In 1920 he was elected president of the parliamentary committee of the Trades Union Congress and thereafter he ranked next to MacDonald and Snowden in influence in the Labor hierarchy. So when the Labor party came to office, by grace of the Liberals, in 1924, he had a clear title to an important cabinet portfolio and his keen interest in Imperial problems induced him to claim the Secretaryship for the Dominions and Colonies. He was a zealous minister and popular with his subordinates but before he had time to give effective expression to his ideas he was out of office.

Disapproved of Strike

On the opposition front bench Thomas was an assiduous critic of the Baldwin government but he disapproved of the tactics of the Trades Union Congress which produced the famous general strike of 1926 and it was no secret that the restraining leadership which he gave the railway unions, was a large factor in its speedy collapse. Thereafter he was always suspect in the eyes of the extremist elements of his party and was openly accused of being a tool of the capitalists. But he retained the confidence of the railwaymen and, when Labor came back to power in 1929, he was given the sinecure office of Lord Privy Seal and charged with the task of coping with the grave unemployment problem. At this task he did not achieve much success and, finding himself more and more at odds with the Left Wing of Labor, through his inability to endorse its schemes, he became one of the earliest advocates of a National Government as the only instrument which could give the country satisfactory government.

Believes in Empire Unity

So when the critical developments of last summer brought it to pass, no man had a better claim to a place in it and Ramsay MacDonald, whom he had supported through thick and thin, gave him his heart's desire, the Secretaryship of the Dominions. A passionate believer in Imperial economic cooperation, he has been an ardent promoter of the approaching Economic Conference and his inclusion in the British delegation was inevitable. "Jimmy" Thomas is at his best as a propagandist and vote-getter and has certain weaknesses as an administrator but he has the same Welsh nimbleness of wit as Lloyd George, and the same suppleness of mind and skill as a negotiator and, when the work of tariff bargaining, which is so much derided but which cannot be avoided, begins, he will be very much in evidence. He knows Canada well through frequent visits and his lively exchanges with Mr. Bennett in 1930 have not impaired their mutual friendship.

CUNLIFFE-LISTER

Sir Philip Cunliffe-Lister, who will be the junior member of the British delegation has a very different background and record from "Jimmy" Thomas. He had an army colonel for his father and when he was born in 1884 he was christened Philip Lloyd-Graeme. In his youth he enjoyed all the educational advantages which fall to the lot of sons of the upper classes of Britain for he was sent to Winchester, one of the great public schools and from there he proceeded to University College, Oxford, where he had a very creditable academic career, taking his degree in 1906. Choosing the law as his profession, he was called to the bar and settled down to practice in London but he had not had time to get a firm foothold at the bar when the war broke out and he at once offered his services. From 1914 to the middle of 1917 he served in the army and won the decoration of the D. S. O. Then, being invalided out of active service, he became one of the secretaries of the Ministry of National Service and gave his energies to the home organization of the national war effort.

Sir P. Cunliffe-Lister

When the war ended, he turned to a political career and securing the Conservative nomination for the safe Hendon division of Middlesex, he carried it by a huge majority at the election of 1918. His industry and debating powers enabled him to make his mark in his first parliament and in 1920 he was given his first step on the ministerial ladder by being appointed parliamentary secretary of the Board of Trade. A year later he was transferred in a similar capacity to the Overseas Trade Department and in these two offices he acquired a thorough working knowledge not only of trade and tariff matters but of the problems involved in the mother country's relations with the overseas commonwealth. He had also become one of the rising hopes of the Conservative party and when, having emancipated itself from its entanglements with Lloyd George and his Liberal followers, it formed a ministry from its own ranks in 1922, Lloyd-Graeme entered the sacred cabinet circle as president of the Board of Trade, and was knighted shortly afterwards.

His Name is Changed

It also happened that about the same time Lloyd-Graeme discarded his original surname and became Sir Philip Cunliffe-Lister. He had been fortunate enough to marry a Yorkshire heiress, a niece of Lord Masham, a great industrial leader, and by the terms of the will, which brought her a large fortune, she and her husband had to take the name of Cunliffe-Lister.

In the first Baldwin Ministry Sir Philip was feeling his way but he gained in parliamentary prestige and when after a short spell in opposition his party came back to power in 1924, he returned to the Board of Trade. Always a convinced protectionist, he did his best to get the Safeguarding Act extended to as many industries as possible but found his leader and some of his colleagues disposed to move warily in the direction of a tariff system. However, his zeal for protection made him very popular with certain groups of manufacturers and he has always been backed by their influence.

Not Loved by MacDonald

Mr. Baldwin is understood to set a high value upon his abilities and when the first temporary National Ministry of ten was formed, he nominated Sir Philip as one of the Conservative contingent to the exclusion of some older statesmen. When the ministry was reorganized after the election, it was expected that he would get some of the more important office like the Dominions' Department but Ramsay MacDonald, who is said not to love him, allocated to him the Secretaryship of the Colonies, which had been segregated from the Dominions' office. So he comes to the conference as the spokesman of Crown colonies like the West Indian Islands, Mauritius, etc., and he will have a considerable part to play. There are more popular figures in the British parliament than Sir Philip Cunliffe-Lister but even his critics and political opponents recognize his parliamentary and administrative talents. He has an amazing mastery of statistics and his wide knowledge of British and Imperial trade problems should be a valuable asset at the conference.

I. P. of Newfoundland Settle Mill Strike

From Our Own Correspondent

MONTREAL.—Despatches from St. John's, Nfld., state that a strike at the plant of the International Power and Paper Co. of Newfoundland at Corner Brook has ended and the men returned to work. The dispute between the employees and the management developed as a result of dissatisfaction over certain changes in working conditions. No statement has been issued by the company with respect to the terms arrived at with the men.

Merchants & Manufacturers in Corroon & Reynolds Group

In the grouping of fire insurance companies prepared by The Financial Post in the issue of April 2, the experience of Merchants & Manufacturers Insurance Co. was omitted from the Corroon & Reynolds group of companies managed in Canada by J. Marchand.

Including the Merchants & Manufacturers, raises the ranking of this group from 48th to 37th and improves the loss ratio from 60 per cent to 53 per cent.

SEE POOR OUTLOOK FOR P. Q. GROWERS OF TOBACCO LEAF

Federal Department Issues Warning Against Serious Over-production

Quebec faces a serious overproduction of pipe and cigar tobaccos unless there is drastic reduction in acreage, according to bulletins recently issued by the Federal Department of Agriculture.

Producers of pipe tobacco, it is pointed out, are entirely dependent on the Eastern Canada market for sales, it is said. Large stocks of old crops remain unsold in the hands of the growers and packers. These stocks are conservatively estimated at two and a half million pounds. The final result has been a severe drop in farm prices from an average of 28 cents for the small aromatic varieties in 1928 to about eight cents in 1931. It is evident that no improvement in prices will occur until these large reserve stocks are reduced. The acreage must be cut down to one-half of that grown in 1931 if this is to be accomplished.

The situation is further complicated by the large over-production of burley in Ontario in 1931. This over-production is estimated at about four million pounds. One of the most serious problems facing the Quebec pipe tobacco industry, it is said, is the lack of quality and uniformity in the crop. Too many varieties and strains are being grown and a considerable quantity of mixed seed is being used.

Cigar Leaf Accumulates

As to cigar leaf it is pointed out that more cigar leaf has been grown in Quebec during the past two years than the market has been able to absorb. As a result there has been a large accumulation of both binder and filler tobacco in the hands of the growers and packers. This accumulation is conservatively estimated to amount to over three million pounds of fillers and a half million pounds of binders, in addition the domestic manufacturers have on hand stocks of leaf sufficient for a two years supply.

In consequence farm prices have fallen from 15 cents per pound in 1929 to less than 5 cents in 1931. The situation is made worse by the fact that the consumption of cigars in Canada is decreasing very rapidly. The growers of Canadian cigar leaf are almost entirely dependent on Canadian cigar manufacturers for the sale of their crops. The only remedy for the situation would appear to be a drastic reduction of the planted acreage to approximately one-half of that planted in 1931.

The market for Quebec cigar leaf is a strictly limited one. During the past five years the domestic manufacturers have absorbed approximately two million pounds a year in the manufacture of cigars. Although the proportion of Canadian leaf used has rapidly increased until in 1931 it amounted to over 50 per cent of the total, the actual amount of leaf used did not increase at the same rate. This has been due to the larger number of small cigars being smoked. During 1931 the consumption of all classes of cigars decreased by nearly 15 per cent, chiefly as a result of reduced purchasing power of the smoking public.

Alberta Coal Output Gains

During the month of January the coal mines of Alberta produced 533,742 tons of coal, an increase of 62,792 tons over the corresponding month of last year.

PROFIT MAINTAINED BY FARMERS 'PHONE

Covers Disbursements Made By Moderate Margin

From Our Own Correspondent

MONTREAL. — Gross revenue of Farmers Telephone Co., subsidiary of Bell Telephone Co. of Canada, was maintained in 1931 and net earnings of $6,890 compared with $6,535 in the previous year. After payment of interest and preferred dividends at the rate of 6 per cent, there remained a surplus of $662 compared with $358 in 1930.

The balance sheet shows current liabilities at the end of the year exceeded current assets by $511, which is an improvement over a similar excess of $3,231 shown at the end of the previous year. The improvement is due to an increase in current assets which totalled $8,990 at the end of 1931.

Balance sheet shows telephone plant valued at $161,824 and materials and supplies at $4,444 compared with $2,688. Reserve for depreciation has been increased by $4,000 to $59,236 and surplus totals $11,527.

Following is a comparison of profit and loss for the past two years:

	1931	1930
Gross revenue	$36,509	$36,875
Less: Oper. expenses	17,578	17,108
Maintenance	6,605	7,866
Depreciation	5,071	5,012
Taxes	365	354
Net earnings	6,890	6,535
Less: Interest	264	219
Net profit	6,626	6,316
Preferred divds.	5,964	5,958
Surplus for year	662	358
Add: Prev. surplus	*10,865	*10,427
Balance forward	11,527	10,785

*Adjusted.

COURT GIVES RULING ON NON-MEDICALS

An insurance company which accepts risks without medical examination may not cancel its policies merely because it subsequently discovers that there has been misrepresentation, according to a judgment by Mr Justice Surveyor in Montreal Superior Court last week. Under the judgment Prudential Insurance Co. was forced to pay $600 to Arthur Tremblay under policies insuring the life of his minor son.

Tremblay insured the life of his son, Antoine, on September 15, 1930, and October 6, 1930. The two policies amounted to $600. The boy died on January of the following year and the father claimed the amount of the two policies.

The company refused to pay the claim on the ground that the insured stated his health was good, when applying for insurance, whereas he was all the while suffering from illnesses.

Had a medical examination taken place, or had the company before issuing the policies made an investigation such as it made after the insured's death, it might have refused to issue the policies and in that case the insured might have tried to secure insurance from another company, the court said.

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News of Investment Markets

BOND MARKET FAILS TO SHOW ANY RECOVERY

Canadian Financing Depends on Stronger Price Level

Continued weakness in the stock market has its counterpart in lower bond prices in the United States while the Canadian bond market has moved to lower levels in the past week to the detriment of new financing. Bond men are not unduly optimistic but feel that some reaction is due in stocks and that bond prices will show an immediate and favorable reaction. This will be helped by the fact that there is no large supply of bonds now on the Canadian market, the new issues of recent months having been largely absorbed.

The New York market has been giving the lead to Canadian bond prices and bonds have been generally weak in New York since early in March. Only the United States Government issues have shown any great sign of strength and there the chief gains have been in tax-exempt issues. Canadian issues listed in New York have been caught in the downward movement which has carried the Dow-Jones average of 40 industrial bonds down from 82.3 on March 10 to around 74 at the present time. The low point of mid-December, 1931, has almost been reached. The average is the lowest since 1920.

C. N. R. Affected

Rails, in particular, have been weak in New York and bonds of the Canadian National Railway have sold off as much as 3½ points in the last two weeks. The C. N. R. 4½'s of 1951 were bid at 86½ in Canadian funds on April 11 at which price the yield would be around 5.65 per cent. Ontario 5½'s of 1947 which are rated approximately the same as the C. N. R.s were bid at 99 having been carried down more than 1½ points. Other provincial issues have also weakened.

The result has been the postponement of new offerings, chief of which is a $5,000,000 issue of Manitobas and a $3,200,000 Ottawa issue. Small municipal issues are selling gradually, mainly on private negotiations. All the large provincial and municipal issues to date have been sold by co-operative effort and competitive bidding for new issues has not been important although several issues have been sold by this means. Investment bankers are taking on practically no commitments and municipal financing that has been accomplished thus far has been made possible chiefly through the fact that investment houses have known where they could place the bonds before the municipality concerned sold its issue.

With an improved market during the next two months a number of municipal offerings will undoubtedly be made since bank loans must be reduced in many cases and there is no indication that business conditions will improve prospects of 1932 tax collections. The summer months are usually a dull period for new financing and unless the present year proves an exception municipalities will enter the market before the end of June or wait until the fall. Ontario is a probable borrower before the summer is over and needs of the Canadian National Railway and of the Dominion will be substantial and can be expected to hold the centre of attention in the latter part of the year. Financing by the smaller municipalities, however, has been held up so long that many issues may be forced to come out at prevailing market levels.

Provinces, Municipalities Get Big Loans From Banks

Current Loans Reach New All-Time Peak in February; Funding Operations Held Up Due to Market Conditions

Bank loans of Canadian provinces and municipalities reached a new high point for all time in February, 1932, with provinces owing the banks $56,237,585 and municipalities owing $139,291,699 at the end of the month. These figures include only current loans and advances and do not include notes or other securities also held by the chartered banks. Provincial indebtedness has increased steadily since June, 1931, when current loans amounted to $16,197,824; municipal loans have increased monthly since October, 1931, when $113,836,283 was shown in the monthly bank statement.

Despite the fact that some $40,212,000 of provincial debt was funded during January and February bank loans increased by $10,679,996 in that period. Municipal funding in those two months amounted to some $21,000,000 but at the same time bank loans increased by $13,602,111. At the end of February, 1931, provincial loans amounted to $24,439,279; municipal loans to $117,336,918.

Funding is Required

Little seasonal trend can be noted from year to year in these loans due to the fact that liquidation depends not only on tax collections but to funding operations. Funding is dependent in large degree upon market conditions which vary from year to year. The present large volume of loans is due in part to poorer tax collections in 1931 than in previous years, but chiefly to the fact that municipalities, in particular, have not been able or have not seen fit to float bond issues during the past nine months due to market conditions.

Collection of municipal and provincial taxes within the next month or so can be expected to reduce the total of temporary borrowings but there will yet remain a very substantial volume of bank loans which must be paid off by issuing of long-term bonds. The monthly totals of current loans of provinces and municipalities in Canada for the past year are shown as follows:

Month	Bank Loans to Provinces $	Bank loans to Municipalities $
1932		
Feb.	56,237,585	139,291,699
Jan.	43,442,461	132,864,154
1931		
Dec.	45,557,589	125,689,588
Nov.	42,049,351	118,132,172
Oct.	38,343,852	113,836,283
Sept.	32,986,243	114,793,151
Aug.	24,784,089	111,978,196
July	17,687,822	113,421,794
June	16,197,824	119,405,589
May	22,855,746	123,399,555
April	31,143,271	124,607,974
March	26,518,404	127,823,209
Feb.	24,439,279	117,336,918
Jan.	26,311,619	105,221,532

MONTREAL MART PUTS BLIND EYE TO TELESCOPE

Exchange Members Trade in Pegged Stocks Off Floor

From Our Own Correspondent

MONTREAL.—When is a peg not a peg? Minimum prices still rule on the Montreal Stock Exchange but free trading has been restored to members though it is not permitted on the floor of the Exchange.

A solution to the impasse created by the pegged prices on the Montreal Stock Exchange appears to have been found by the unofficial blessing which has been given to unrestricted participation of members in trading at street prices. Hitherto unlisted brokers and non-members of the exchange have provided the only channels for transactions in "pegged" shares at prices below the minimums set by the Exchange. Now member firms are free to find a market for distressed blocks of stock, though such transactions must not take place on the floor of the Exchange.

Prices Vary Widely

Street prices for major issues show a wide variation from the fixed prices on the Exchange. Following are representative quotations together with the minimums:

	Min.	Bid	Asked
Montreal Power	36	25	25⅝
Shawinigan	33	12½	13
Nat. Breweries	24	14	14¾
Dom. Bridge	27	11	12½
Power Corp.	36½	13	14

Some see considerable benefits arising from the present situation. An orderly market at street prices will prevail; transactions may be handled through member firms of the stock exchange and possibly blocks of shares overhanging the market will find their way into strong hands.

A species of clearing house has been established through which member firms may obtain their quotations and conduct their transactions.

PRAIRIE WEST LOOKS TO 1932 FOR GOOD CROP

(Continued from page 1)

tant sidelight on the 1932 outlook. It means that tractors and power-driven machinery will have a slack year and that the horse is coming back in a big way during 1932. Farmers may not have money to buy gas but they have hay and they have horses. No matter how hard up they have been they have for the most part refused to sell their horses—a fact amply borne out by recently published census figures which show that there are over 2,062,000 horses in the three Prairie provinces, a drop of only 67,000 from the estimated total of 1930 and only 177,000 less than the total shown in the 1921 census returns. Detailed figures are as follows:

Horse Population of Prairies

	1931	1930	1929
Alberta	731,999	698,695	806,244
Manitoba	326,529	359,943	355,747
Saskatchewan	1,004,156	1,071,727	1,077,882
Total	2,062,684	2,130,365	2,239,873

Further confirmation of this situation is contained in reports from banking correspondents throughout the West. Typical phrases from these reports say:

Pilot Mound, Man.—65 per cent in shape to buy gas, balance will use horses.

Gilbert Plains, Man. — Will depend more on horses this year than former years although tractor users will be able to buy gasoline.

Stonewall, Man. — 95 per cent of farmers will use horses.

Belmont, Man.—Few if any tractors will be used for seeding.

Gull Lake, Sask.—Most farmers will use horses this year but some of power farmers have no horses.

Carnduff, Sask.—There will be very little money for gasoline for operation of tractors.

Operating Costs Low

Another important feature of the western situation is that in most areas farmers are better adjusted than perhaps at any time in recent years, to meet current price conditions. The abnormally low prices of grain in the past eighteen months have forced economies in living and farming that were hardly dreamed of two or three years ago. This has entailed considerable hardship of course but it indicates that if any improvement is shown in wheat prices, the return to Prairie farmers will be proportionately encouragingly high.

One factor which has of course been instrumental in strengthening wheat prices in recent days has been the poor outlook for the winter wheat crop in the United States. Last year a bumper crop was grown there but this year conditions have not been so favorable. The heaviest blow came last week when Washington announced that production of the great winter plant operated by farmers in the United States may be cut nearly in half this year. This was forecast by the Agriculture Department in reporting the condition of winter wheat on April 1 at 75.8 per cent, of normal due to unfavorable weather. The estimated 1932 crop of 458,000,000 bushels is 42 per cent below last year's bumper production of 787,000,000 and is the smallest since 1917, with the exception of the 1925 harvest.

Special Moisture Report

A special report on moisture conditions in Western Canada at the present time, published last week by the W. Sanford Evans Statistical Service makes the following statements:

"In two important respects the outlook for the coming crop on the prairies is more favorable than at this time last year — some surface moisture is present in almost all localities, and winter soil drifting has been negligible, due to the protective snow covering.

"But looking farther ahead it appears that the 1932 crop will have to contend with several handicaps — the depletion of sub-soil reserves of moisture across a belt containing at least 10 million acres of wheat, a tendency toward drifting in some of the most concentrated farming areas, and the likelihood of insect damage, chiefly from cutworms and grasshoppers.

"A group of representative points were recently questioned regarding moisture conditions, with the following results:

"1. Reserves of moisture in the soil are generally normal in the Red River Valley of Manitoba, Northern Saskatchewan and most of Central and Northern Alberta; fair only in Northern Manitoba and parts of Central Alberta and Central Saskatchewan; below normal in South-west and West Central Manitoba, Southern and most of Central Saskatchewan and most of Southern Alberta.

"2. Precipitation since Sept. 1, 1931, has been at least normal at all stations queried.

"3. All stations report some surface moisture, but where reserves are low they are dependent upon early spring rains to ensure a crop.

"4. Drifting during winter months negligible, but soil in Southern Saskatchewan lacking in humus and therefore will be subject to drifting if conditions suitable.

"Cutworms, causing some damage to last year's crop, are again likely to be present over large areas in 1932. Ample moisture during the feeding period, May and June, will be the greatest deterrent to their workings. Grasshoppers consumed some of the later grains in Manitoba toward the end of last season and are reported to have deposited their eggs in large numbers in some areas."

Ontario Gold Production

The gold output from Ontario's mines was valued at $3,606,966 in February, a decline of $79,742 from the preceding month, but higher by $574,744 than the corresponding month of 1931.

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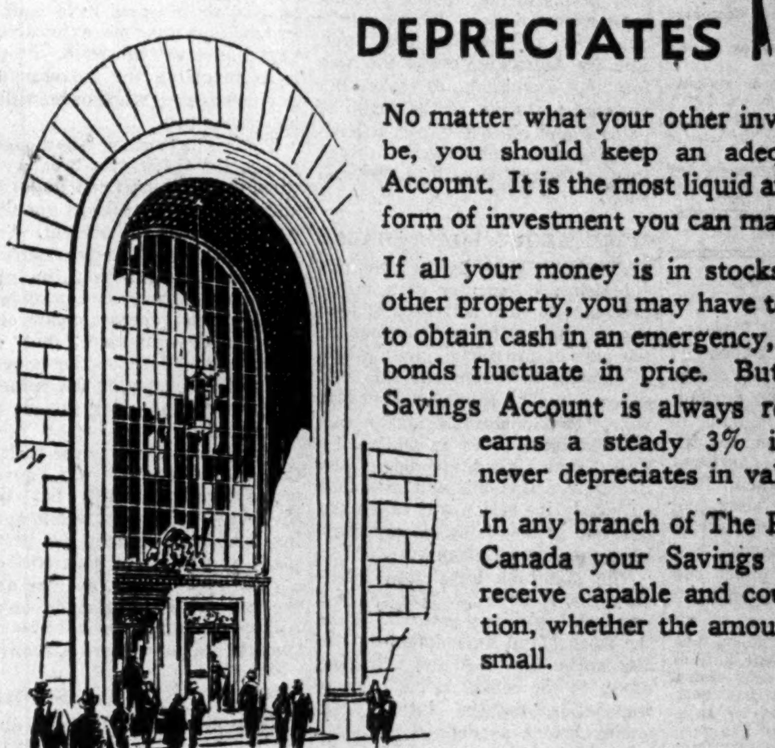

THE ROYAL BANK OF CANADA

Capital $35,000,000 Reserves $39,155,106 Assets over $750,000,000

BRANDRAM PAINT REPORTS DEFICIT AFTER CHARGES

Operations in 1930 Result in Net Earnings of $100

From Our Own Correspondent

MONTREAL.—Net earnings of Brandram-Henderson, Ltd., in 1931 were $100 compared with $66,299 in the previous year. After all charges, including allowance for revaluation of inventories and securities, there was a deficit of $198,323. After payment of preferred and common dividends, the latter at the rate of 1 per cent against 2 per cent in 1930, there was a total deficit of $245,122 compared with a deficit of $87,672 in the previous year.

Following is a comparison of profit and loss in the past two years:

	1931 $	1930 $
Net earnings	100	66,299
Less:		
Bond interest	60,868	62,489
Pensions	4,000	4,000
Depreciation	15,000	15,000
Contingency res.	20,000	.....
Inventory and invest. w/o	98,555	.....
Res. for white lead	.....	13,884
Net profit	*198,323	*29,074
Pref. divds.	35,000	35,000
Common divds.	11,799	23,598
Deficit for year	245,122	87,672
Add: Prev. surp.	900,278	987,951
Bal. forward	655,156	900,279

*Deficit.

Working capital is lower at $638,799 compared with $902,646 at the end of 1930. Current assets total $1,118,439 against current liabilities of $479,640.

In assets cash is down $38,000 at $4,805; accounts receivable are down $79,000 at $386,510 and inventories at $725,123 are down from $971,696. Property, goodwill and patent rights is carried at $2,566,349 an increase of $15,000. Capital stock of subsidiaries totals $340,287 and other investments stand at $16,273.

In liabilities, bank loans are down $8,000 at $390,974 and accounts payable have been reduced by over 50 per cent to $61,690. Depreciation and other reserves at $246,720 show a gain of $38,000, surplus has been reduced from $900,279 to $655,156.

In his remarks to shareholders, George Henderson, president of the company, said in part:

"The world-wide depression in business continued unabated throughout the year, and the paint and varnish industry suffered in common with other industries. The lead market, in so far as the finished white lead product is concerned, continued to decline sharply, and the persistent recession in demand for paint products brought about the keenest competition on the part of suppliers, resulting in a further decline in the selling prices of first quality paints. Hence the wisdom of making substantial provision for revaluation of inventories and for contingencies will be self-evident.

"The operations of your subsidiaries, Alberta Linseed Oil Co. Limited, and Pacific White Lead Co. Limited, were relatively profitable and satisfactory, and in contradistinction to the previous year the former was able to make a contribution toward the profits of the parent company."

Dominion Sale Of Bonds Direct Did Not Succeed

Unconscious testimonial to the necessity and value of the services rendered by Canadian bond dealers is given in the Federal budget speech by official disclosures for the first time of one small paragraph in the history of Canada's financing. It is the brief story of how the Dominion Government attempted to retire some $13,000,000 of 5 per cent War Loan bonds, due Oct. 1, 1931, which remained outstanding after the Conversion Loan campaign.

Federal finances did not permit these bonds to be refunded out of current revenues and in August, 1931, Canadian institutions were invited to tender at par for all or part of some $13,000,000 4½ per cent bonds of the 1946-1956 Conversion Loan series. The borrower sought to sell direct to the lender and with a Canadian National Railway issue overhanging a somewhat unsettled bond market bids were received for but $4,500,000 of the $13,000,000. The remainder was obtained by temporary credits through the Bank of Montreal and these credits were later paid off from the proceeds of the National Service Loan.

On September 10, $25,000,000 of Canadian National Railway bonds carrying the Dominion's guarantee were offered to the public to yield 4.61 per cent while institutions got the usual discount giving them even a higher yield.

Vancouver Plans Issue of Short Term Notes

From Our Own Correspondent

VANCOUVER.—Recent amendment to the city charter, permitting short-term financing, will probably be utilized in the near future and is expected to save the city from heavy losses which would be experienced if capital debentures now on hand — more than $4,000,000 worth — were placed on the local market.

A committee has been appointed to consider utilizing the city's new financing powers in connection with $600,000 of debentures. Further short-term notes may be issued against other portions of the $4,000,000 debentures.

Ban on Exports of Gold Continues Until May 1

Expiry date of the regulations concerning the prohibition of the export of gold coin or bullion from Canada, except under government license, has been changed from March 1, 1932, to May 1, 1932, according to a memorandum issued by the Department of National Revenue.

MINING INSTITUTE AGREE TO COMBAT FRAUD ACTIVITIES

Effort Being Made to Curb Promotional Work of Mining Parasites

Cognizant of the activities of unscrupulous promoters in capitalizing the success of every new mining camp, the Canadian Institute of Mining & Metallurgy went on record in an official manner at the annual meeting held in Montreal last week as lending its support to crush out fraudulent mining promotions.

The action of this association, representing as it does, not only the technical phase but the industry in all its aspects, is its official declaration on promotional activities. In the past the association has had to exercise its power in combating evils that impaired the progress of the industry. It is recognized by the association that the public must continue to supply the principal funds necessary for exploration and development of mineral resources but that this public has reason to expect the joint support of the better elements in mining to see that the money raised for mining goes for that purpose.

Governments Active

A. W. Rogers, of the Canadian Bankers' Association, Toronto, addressed the institute at its Montreal session, and epitomized the activity on the part of provincial governments to stamp out fraudulent promotional activities. Three main factors, registration, investigation and publicity, he observed, have proven effective weapons for separating gold from dross in mining finance.

Mr. Rogers did not imply that our present regulations were perfect but rather that they required the effective backing of the public, and he asked the mining industry as a whole to co-operate in the work of protecting the public and thus to stimulate the growing mining industry. W. G. McBride, professor of mining at McGill University, who was chairman of the meeting, enlarged upon Mr. Roger's address and called attention to certain promotional activities being conducted at the present time, capitalizing the promise of Canada's newest mining camp, Great Bear Lake.

B.C. MAY INCREASE CIVIC TAX LIMIT

Emergency Legislation Would Aid Municipalities in 1932-33

From Our Own Correspondent

VANCOUVER.—Drastic new legislation broadening the scope of municipal taxation is being considered by the Legislature and will probably be adopted. The purpose of the proposed amendment to the Municipal Act is to extend the statutory limit of 20 mills on the dollar now set for general taxation and to permit a levy up to 35 mills. A tax on up to 75 per cent of improvements also would be authorized. These changes, however, would be effective only in the years 1932 and 1933 to meet abnormal conditions.

Another amendment provides for the appointment of a commissioner with all the powers of mayor or reeve, council, police commission and school board to control the municipality in the case of failure to provide for payment of either principal or interest on any debenture issued by the municipality. These commissioners would be appointed by the government on application of creditors of the municipalities.

Bond Tenders

April 20, Shawinigan Falls—$248,700, 6 per cent, 7 year serial bonds. A. J. Meunier, sec.-treas.

April 25, Municipality of Deleage—$4,000, 6½ per cent, 20 year, serial bonds. J. A.

April 25, Orillia—$4,100, 5 per cent, 30-instalment sewer extension debentures; $1,-125, 5 per cent 15-installment, curb and gutter debentures. Principal and interest payable at par at Orillia and Toronto. Carrie M. Johnston treas.

Obituary

W. C. Cottingham, managing director of Sherwin-Williams Co. of Canada, died April 8 in Montreal.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Imperial Realty	*6%	1945	July 1	103
Wabasso Cotton	§6%	1947	June 1	105

†Or before.
*Called in part.
§$10,000.

Public Utility Earnings

Jamaica Public Service

February	1932	1931	Decrease
Gross earn.	$68,582	$76,290	$7,707
Oper. exp. & taxes	39,350	42,013	2,663
Net earn.	$29,232	$34,276	$5,044
12 Months Ending:	Feb. 29 1932 $	Feb. 28 1931 $	Decrease $
Gross earn.	816,891	847,744	30,853
Oper. exp. & taxes	489,625	493,920	4,295
Net earn.	327,266	353,824	26,558

East Kootenay Power

February	1932 $	1931 $	Decrease $
Gross earn.	38,255	41,376	*3,121
Oper. exp.	17,120	16,987	*183
Net earn.	21,135	24,439	3,304
11 Mos. end. Feb. 29:			
Gross earn.	441,935	497,081	55,146
Oper. exp.	162,899	168,756	5,857
Net earn.	279,036	328,325	49,289

*Increase.

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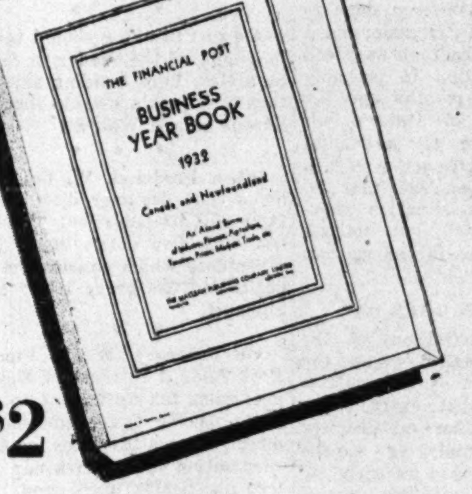

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Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Dominion Rubber	Dec. 31	*765,347	*346,055	...	...	...	4,661,559	5,640,995	...	...	...
Great Lakes Power	Dec. 31	170,525	181,916	6.80	6.99	4.00	1,335,538	1,302,280	...	...	...
Canadian Industries	Jan. 31	89,817	114,740	0.90	1.15	0.60	141,304	134,244	...	...	...
National Breweries	Dec. 31	1,439,702	1,930,310	1.73	2.40	1.60	5,311,129	5,219,866	24	13.9	6.6
Hydro-Electric Securities	Dec. 31	2,968,465	7,426,292	1.33	2.07	...	1,486,417	9,342,472	5½	...	...
International Holding & Invest.	Dec. 31	590,147	306,053	0.12	0.06	...	896,199	306,053	...	...	...
Disher Steel	Dec. 31	14,725	51,763	†1.16	†3.98	1.50	106,096	110,871	...	...	...
Service Stations	Dec. 31	1,506	1,070,127	...	4.56	...	1,398,500	2,156,395	4	...	...
Brandram-Henderson	Dec. 31	*198,329	*29,074	...	...	...	655,156	900,279	...	...	...

*Deficit. †On Class "A" shares.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Montreal (Hospital St. Luc)	Apr.	Ernest Savard, Bk. Can. Nationale and Syndicate	6%	1935-59	$1,500,000	*100	6%
Sudbury	Apr.	A. E. Ames & Co. and Wood, Gundy & Co.	6%	1933-52	†593,848	90.75	*6.90%
Charlottetown	Apr.	Gairdner & Co.	6%	15 yr.	‡50,000	98.25	.....

*Offering price. †30 day option. ‡With option on additional $50,000.

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TORONTO, APRIL 16, 1932

FARMERS DISCARD FALSE LEADERS

THE Farmers' Sun, of Toronto, states that recent happenings have not been such as to create greater confidence in the agricultural co-operative movement in Canada. Since the columns of the Sun were used on numerous occasions to abuse The Financial Post for its own criticisms of some evil developments in farm co-operatives in Canada, the enlightened view now expressed in that paper can not but draw our commendation.

The Sun says:

"Unhappily, the more radical element in the farm movement has, of late years, been in the ascendancy, and this radical element has been anything but a stabilizing or integrating force. A decade ago, the various provincial farmer organizations, functioning as a federal unit through the Canadian Council of Agriculture, were a powerful influence in national affairs. Led by level-headed men and women, the movement flourished, and the outlook for agriculture was never brighter. Today the movement is but a shadow of its former self and the farmers were never in a sorrier plight.

"The fact is, there had developed a growing tendency to regard the farm problem as a challenge to fight. The earlier success of the pools on the prairies turned the heads of some of the lesser lights who rose to positions of prominence. Education in the principles of co-operation became propaganda for compulsory pooling. Producers who would not of their own accord market their grain through the pools, were to be forced to do so by legislative enactment. The competitive trade in grain was going to be abolished the world over. Capitalism was doomed. The co-operative commonwealth was in sight and let those who stood in its way do so at their peril."

Further, A. G. Bridger, managing editor of the paper declares:

"Co-operation is common sense put into practice. Application of the principles of co-operation to the marketing of farm products and the purchasing of farm supplies ought not to commit the farmer to the destruction of the competitive system or the overthrow of capitalism. In my own by no means restricted experiences I have been brought into contact with as much humbug, hypocrisy and cant, preached and practised in the name of co-operation, as ever came to my attention in the realm of competitive business.

"Let the farmer devote himself assiduously, through his own co-operative enterprises and producer organizations, to the establishing of his own affairs on a better basis and he will, for reasons of economy, not augurating an improved social and economic system than all the gusty rhetoric of the social reformers can ever accomplish."

In the same issue of the Sun there is a paragraph that reads as follows:

"In these days when necessity compels the withdrawal of public grants for even some not unworthy services, it is refreshing to come across at least one organization that accepts the situation in good grace. The National Dairy Council of Canada, learning that the customary grant of $5,000 will, for the reasons of economy, not be paid by the federal government this year, desires to make it clear that while the loss of this revenue is a serious matter to the council, yet the officers recognize that the economy is a necessary one and have accordingly taken steps to adjust their budget to the reduced revenue. More of that spirit and we might all be better off."

Canadian farmers can and will stand on their own feet. Misled by false prophets, who hoped to use the farm movement as a vehicle for subversive propaganda, they have turned more and more to governments to find prosperity for them. Papers like the Sun can do a great deal to raise the standards of farming, to some extent as a business, but even more as a happy way of living.

THE GIBB REPORT

WORKING on the basis of national rather than local considerations, Sir Alexander Gibb has produced an able and businesslike survey of Canadian ports. He has looked upon the ports both as separate entities and as a whole; if it were only that Sir Alexander has made the country realize that the ports are of national concern, his report would be of the utmost value.

His comments, in many instances, are caustic and do not enhance confidence in the present system of politically appointed harbor commissioners. Incompetence, inordinately large expenditures, lack of continuity in management, and changing policies with the turn of government are only a few of the charges levelled against the present form of control. Sir Alexander also fails to uphold or advocate the ambitions of the different ports and in this he has aroused antagonism. But while tearing down, he offers a plan of rebuilding which, as far as can be determined from the available summaries of his report, offer an opportunity for the building of a strong national port system.

The development of the ports to date has been accomplished largely through funds advanced by the Federal Government. For some years at least these ports must be dependent on Federal grants and because of that Sir Alexander rightly concludes that the Federal Government should have more complete control. At the same time there is a recognized need of the development of a national policy and he believes this can best be accomplished through a central body under control of the Federal Government. Management of each port would be in the hands of a port manager, who in turn would have the advice and help of a council of local interests and port users—a council elected and not appointed by "the party in power."

Adoption of the Gibb recommendations in their entirety is not to be expected soon. There will be opposition of the strongest type. But Sir Alexander opens the way for the Dominion to take her national ports out of the realm of politics and place them on a businesslike basis and make them work for the national as well as the local good.

MORE ABOUT LOAN SHARKS

INTRODUCTION by the Manitoba legislature recently of a measured aim to curb activities of loan sharks, marks the second move on the part of provincial jurisdictions in Canada to stamp out this evil exposed by The Financial Post last year. Previously the matter was brought into review in Quebec by Hon. Frank Carrel, member of the Legislative Council, and although no legislative action was taken the question is now being closely studied by provincial officials.

The Manitoba legislation introduced by Hon. W. J. Major, K.C., provincial attorney-general, is in the form of an amendment to the Mercantile Law Act and will give power to the courts to review any transaction entered into by a money lender as defined by dominion law, and under which it is alleged that interest at a rate not permitted by law is being charged. It comes as a result of an investigation by the attorney-general's department, following the publication of a series of articles in The Financial Post, and which disclosed the presence of very unscrupulous practices in the handling of small borrowers throughout the province.

Mr. Major is to be congratulated in this effort to improve this situation which has resulted in hardship and loss to thousands of wage-earners, and it is to be hoped that this legislation will be followed up in a practical way by constructive action to provide properly-regulated agencies whereby borrowers can secure small personal loans at rates reasonable to both borrower and lender alike.

There is still one large province where nothing has been done in this regard, namely Ontario, and it is in this province that the need for remedial action is probably greatest. Many months ago the attorney-general of Ontario admitted that there was a definite need for constructive action to curb this evil and promised that he would have this situation thoroughly investigated, but nothing has been done, as far as we can ascertain.

DEFLATION GOES ON

A CONCISE definition of the meaning of "deflation" and the manner in which it accumulates momentum so that every lower level of prices induces a still lower level, in a diminishing vicious circle, was described recently by Leonard P. Ayres, vice-president of the Cleveland Trust Co.

Deflation, he said, is another name for the payment of debt, but in practical application it also implies the forced liquidation of debt, rather than mere voluntary reduction, together with declines in market values and price levels of the things for which the debts were incurred. In this depression the processes of deflation have run so far and so fast, and are still continuing with such vigor, that there is danger of the needless destruction of sound values.

But while the evil is one born of the depression it had its inception in the devil-may-care accumulation of debt by nations, business and individuals in the days when "nothing can stop our growth and progress" was the excuse for every kind of recklessness. Everywhere the mad competition to purchase on borrowed money, stocks, real estate, and the hundred and one personal luxuries, dangled before covetous eyes by auto-intoxicated merchandisers, shot prices high above true values.

Since then the whole trend has reversed and eager buyers have become eager sellers. Stocks, bought at high prices and pledged as collateral for loans with which to buy more stocks, suddenly broke and borrowers hastened to sell. As there were few and reluctant buyers, they continued to fall. As loans were paid off, bank deposits fell. The reaching of bargain levels formed no brake in the descent of prices, individual indebtedness having been so nearly universal, that none could take advantage of them, as in other depressions, while the lower prices in turn have only increased the load of the debts. And so deflation continuously generates further deflation.

PUBLIC JOB MAKING IS ABANDONED

NEWSPAPERS that have the ear of Mr. Bennett now forecast that the scheme of attempting to create jobs by public works will be abandoned in favor of direct relief to distressed persons. This was forecast by The Financial Post some months ago. In fact such a change in policy was always inevitable. The job making scheme proved an utter failure and when it was first discussed The Financial Post prophesied as much. Mr. Bennett has, in recent months, come around to many policies submitted by The Financial Post, speaking in the interests of sound business men from coast to coast.

SPENDING MONEY TO MAKE MONEY

EVEN in times of depression, it is possible for companies, and for that matter for governments, to make investments that are thoroughly justified. This is a time for cost-cutting, and often cost-cutting involves the purchase of new machinery, or the installation of new equipment, possibly even the building of a new plant or office. Money often has to be spent to make money.

Many concerns unfortunately do not recognize this. Numerous boards of directors have sent out instructions that no extensions of any kind must be made. Propositions involving the investment of any new money whatsoever will not be entertained.

This is a rather short-sighted policy. If there ever was a time when suggestions from junior men and working executives should be welcomed, it is the present. A better policy would be for boards of directors to state that the policy of their company is consolidation rather than general expansion of plant and equipment, but that every suggestion for the improvement of efficiency or the reduction of costs will be given serious consideration.

Most firms are over-built in Canada. Certainly our governments are over-built, but there should never be hesitation in spending additional money to provide plant or equipment that will earn a substantial profit, over or above the investment to be made, or that will enable equipment not now efficient to be used more effectively.

"WAR" TAXES A MISNOMER

THE Dominion Budget shows "war tax revenues" of $122,000,000 out of total tax revenues of $273,000,000. Annual expenses arising out of the war amount to more than $122,000,000 annually yet it may be questioned if it is proper to continue the use of the phrase "war tax revenue" to designate those tax sources that were first initiated during the war. The income tax will probably remain for many years a source of federal revenue and the sales tax too may remain although rates should be steadily reduced in both cases. Calling such taxes war taxes provides an implied alibi for continued extravagance.

EDITORIAL NOTES

Mr. Bennett is declared to have a remarkable memory. But members of the opposition at times show embarrassingly good memories too.

* * *

Advertising should talk the language of the reader, it is said. So a New York building advertises that it is just a mashie shot from Broadway and Wall St.

* * *

When Frederick W. Goudy, famous type designer dies, his epitaph will probably be: "Pack my box with five dozen liquor jugs," a sentence which enables the compositor to use every letter of the alphabet.

* * *

On February 20 The Financial Post made a forecast of the budget: sales tax up from 4 to 6 per cent; income tax exemptions reduced; income tax rates increased; corporation tax increased; tariff left practically unchanged. This was the first authoritative forecast and it was very close to accuracy.

* * *

General J. H. McBrien says that if all the Communists were deported there would be no unemployment in Canada. Probably if an investigation were undertaken at Ottawa it would be found that most of the agitators are illegally in Canada. They are all foreigners and most of them were either illegally admitted to Canada or obtained their entry papers by fraud or misrepresentation.

* * *

New York's newest sky-scraper has double-deck elevators that load and unload passengers on two floors at once. Pullman announces new sleeping cars with private bedrooms, double-decked. Buses are now double-decked in cities without low bridges. Lunchrooms advertise double-deck sandwiches. Even the newest game of solitaire calls for a double-deck. But the real trouble is a lack of double-deck men and women to run a double-deck world.

* * *

Recently we reported how three separate newspapers within one week labelled The Financial Post as, respectively, Conservative, Liberal and Independent. This week one of our readers, sending in $5 to renew his subscription, said: "But I wish you weren't so much a Mackenzie King paper." And on the same morning there came a clipping from the Moose Jaw Times-Herald which said: "The Financial Post maintains a certain independence though it leans toward Conservatism." All these expressions of opinion are excellent evidence of The Post's independence of partisan politics.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

FOR WORLD RECOVERY

SIR ARTHUR SALTER, a thoroughly capable economist, has written a new book that analyzes the underlying causes of depression and outlines a programme for recovery. It is entitled "Recovery; the Second Effort."

While a more extensive review of the book is planned for next week, the importance of his study and his proposals warrants a brief summary of his own summary. Here are his "first aid" proposals in brief:

A moratorium of several years, say four or five, to cover the depression and period for Germany's recovery after it; and if possible a final settlement on a basis that will secure that further payments shall be within Germany's capacity;

An increase in prices up to, say, the level of 1929 and then reasonable stability. This to be accomplished by international co-operation between the countries now off the gold standard;

Having price stability, then foreign lending;

New commercial policies by all nations to stimulate foreign trade;

Internal financial reform in different countries;

Strengthening of the world's safeguards for peace;

To attain these ends Sir Arthur wants the world to improve its monetary system; to reform its system of credit, and to provide for better planning of economic development.

Budgets Must be Balanced By Economy, Not by Taxes

Saint John Telegraph-Journal

To balance a budget by adding to the direct tax load of the citizens is one thing; to do it by reducing operating costs is another.

The first realization of the Canadian citizen (on reading the Rhodes budget) will be that his tax load has been drastically increased in a period of business stagnation, but there will be no desire to shirk the load or cry over the necessity of facing the task courageously. There will be, however, from one end of Canada to the other, an insistent and growing demand for reduction in the operating expenses of government. A feeling that has no party bounds, but which springs from the business experience of those who have to so manage their affairs as to provide the money from these taxes, prevails in all quarters that governments, in a financial emergency such as we are now going through, should not depend for the balancing of their budget on the simple expediency of further gouging the taxpayer.

All managers of business are faced with decreasing revenues and the necessity of balancing their budgets, or in other words, of making income at least equal to outgo. How delightful it would be if managers or individuals could say to their customers—who correspond to the taxpayer in the governing scheme of things—"You have to pay thirty per cent more for this article; fifty per cent more for that, and 200 per cent more for that." And what a joy too if the manager or business owner could say to his customers, "If you don't pay the thirty per cent—or the 200 per cent—increase within six months, I will seize your property, because automatically my claim is a prior lien on all you have, and if you don't pay that thirty or fifty or 200 per cent increase, you cannot have food to eat or clothes to wear." Yet that is what every tax-raising government budget-builder says and does.

How long will it be before simple business methods are applied to the act of governing; how long before operating expenses are reduced before taxes are increased; how long before the taxpayers' load is added to only as the last resort?

The voice of protest against waste and extravagance already has been raised in the Senate Chamber on Parliament Hill, and today and for some time to come it will be raised in every city, town and hamlet across Canada. It is time for a searching programme of economies in all departments. It is no time for dusty political dodges and subterfuges, for fine sayings and make-believe.

It is time for action, and it is imperative that Ottawa must stop balancing budgets by the easy method of raising taxes and treating economy programmes as merely incidental to the task of keeping the wheels turning.

POST-scripts

STRIKING while the iron is hot is a great factor in sales work. One firm of music publishers has circularized the radio studios with a noteworthy effect. The letter intimates that at any time now it may be the privilege of the station announcer to tell his radio audience that the Lindbergh child has been found, an occurrence which will command wide attention. Would it not be an auspicious occasion, suggests the publisher, to feature his latest hit "Sweetest Little Kid" at the same time? There ought to be a bright answer to this question if anyone has time to think about it.

A GHOST from the limbo of forgotten things turned up recently in the Senate at Ottawa when the Hon. J. S. McLellan, of Sydney, N.S., brought in a report as chairman of the Commerce and Trade Relations Committee of Canada.

In presenting his report, Senator McLellan recalled that in 1908 there was what might be called "a stirring in the valley of dry bones," or one of those periods when the Senate was seized with the idea that it could do more and better work than was then being carried on.

One result of this was the appointment of the above committee, but according to Mr. McLellan the only thing that it has done in the intervening 4 years has been to meet to reduce its quorum.

Now, however, at the suggestion of the Hon. Senator, this committee is to be revived, in part for the purpose of promoting and facilitating the exchange of our products from the point of view that there is no use in producing more than can actually be sold, and secondly to do whatever possible to aid in the coming Imperial Conference.

New Books

"What Makes Stock Market Prices?"

"There is no evidence available to prove that common stocks are good long pull investments; there is abundant evidence that stocks should be sold when business is prosperous and tight money conditions suggest impending curtailment of construction and production; or when the price structure shows a top formation; or when prices seem inflated relative to earnings. Reversely . . . the safest time to buy is when production is curtailed and an increase in bank loans is immediately in prospect."

This is one interesting paragraph from "What Makes Stock Market Prices," just published by Dr. Warren F. Hickernell. Dr. Hickernell is a graduate of Yale University who has written extensively on business subjects. For a number of years he was the managing editor of the Brookmire Economic Service, after which he became a director of the Bureau of Business Conditions, Alexander Hamilton Institute, as well as a lecturer on "Panics and Depressions" at New York University.

His book is an attempt to record for a wide public audience the methods employed by insiders to manipulate stock prices by the use of pools and other forms of artificial control. Special attention is also paid to the economic factors of which account has to be taken by pool managers.

The author also describes the characteristics of business cycles and shows the relation of the gold supply and international indebtedness to present stock market conditions.

The volume is published by Harper & Bros., New York, at $3.

"The Canadian Grain Trade"

A number of books have been written on the Canadian grain trade in recent years, but having been prepared during the period when the wheat pool was in the full flush of its outward prosperity and when there was no question in anyone's mind as to the future of Canadian wheat production and export, they were in most cases lacking somewhat in perspective. Prof. D. A. MacGibbon, a member of the Board of Grain Commissioners for Canada, has now completed an authoritative text book on the Canadian grain trade and it is one that will probably stand for many years as the standard reference book on the subject. It is written with the independence and lack of bias that Professor MacGibbon's official position demands, and of course, it has behind it this able economist's many years of study and teaching in Western Canada, where he was for many years professor of political economy at the University of Alberta.

Readers of The Financial Post recently had the opportunity of studying three articles on the grain trade by Professor MacGibbon, which were in reality a summary of some of the main chapters of this volume.

Prof. MacGibbon's treatment is very comprehensive. He traces the story of the development of the grain trade from the earliest days and gives the historical record of the world war period, the Canadian Wheat Board, the development of the Pool, the opening of the Pacific route, and the disastrous years 1929 and 1930. Then he proceeds to a thorough study of the trade itself, including the country elevators, the terminals, the system of inspection, the various routes to export markets, the grain exchange, the organization of the grain companies, and the wheat pool. There are also interesting chapters on how the grain trade is financed, and how it is controlled by the Dominion Government.

Allied chapters discuss the Canadian milling industry and export trade in flour, the whole question of the export of wheat and wheat products from Canada, and the underlying conditions of production in Western Canada. The appendix goes into a brief analysis of the Hudson Bay route.

This summary gives an indication of how thorough is the analysis of the grain trade that has been presented in this volume. It is impossible in a brief review to attempt to bring out all the interesting comments with which Professor MacGibbon has interspersed his factual record. He pays high tribute to the private grain companies of the west for the manner in which they have handled Canadian grain for many years. He forecasts larger grain companies growing out of further mergers when financial conditions improve. He makes no definite forecast as to the future of the wheat pools although he does not expect the western farmers to withdraw from co-operative marketing. In fact, if the co-operative movement were to collapse, he feels that there would arise wide-spread demand for government ownership of all terminals and for a centralized marketing board.

In discussing export trade, Professor MacGibbon shows the weaknesses of price fixing and price control. "The great task of all our large exporting countries," he says, "is to create in the minds of the people of deficit countries the confidence and trust that ample supplies will be forthcoming regularly at a price as low as is consistent with actual cost production," a statement that might well be made the text for all future legislation in connection with the grain trade of Canada.

Professor MacGibbon draws no final conclusions as to the Hudson Bay route but it is quite obvious from his analysis that many of the claims that have been made on behalf of it are thoroughly exaggerated.

"The Canadian Grain Trade" by D. A. MacGibbon is published by MacMillans in Canada at $4.

As Others See Us

Government Deflation

Brockville Recorder-Times. — The different governments of Canada may think that they have gone the limit in the way of reducing their expenditures. But that is not the view of The Financial Post which declares:—

"Today the greatest measure of inflation the world over and certainly in Canada exists in the costs of government."

Business men who have gone much farther than the governments in the way of reducing their costs do not relish the prospect of such savings as they have been able to effect being undone by a great increase in taxation. They will demand of those in charge of affairs that something more in the way of lowering expenditures shall be done if taxation is not to become quite unbearable.

Should Get It Back

St. Catharines Standard. — The Financial Post, commenting on John Aird, Jr., "slipping over a fast one" for that $125,000 suggests that Aird be sued for the return of that money to the investors in Beauharnois. The suggestion seems logical enough. The public would like to hear a case like that aired in the courts.

In the Mail

C. N. R. Extravagance

Editor, The Financial Post.

World conditions today have set men thinking, with their minds running into channels, if not new, heretofore unexplored. Many of us, like governments, are wondering how we are going to balance our budgets.

What are governments anyway? They are our boards of directors. We are a great big incorporated company and we have chosen these people, our M.P.'s and M.P.P.'s and such like, to handle the business for us. The board chooses its officers, presidents, vice-presidents, managing directors, secretaries, treasurers and so on, and they make good or do not make good—frequently the latter. What I want to know is how much real business effort is put into government affairs comparable with what a man puts into his own business. For instance, Mr. Blank is elected to a seat in the Federal House, his constituency made the best choice possible, at least they thought so, he gets a substantial stipend and travelling expenses, his first thought almost is to make good and keep his seat.

There are two things just now before the people of Canada in which the government is vitally interested and both of which are open to severe criticism. Why should the Minister of Railways, who is our director on the board referred to, hand his department over to an individual to run any way he pleases and report back to the minister once a year, when he asks for $61,000,000 to keep going? After every horse is stolen the barn door is locked and thousands of working men-mechanics-machinists, trainmen and labor of all kinds employed by the C. N. R. made to suffer hardships of the worst kind, for want of sufficient means to give them a living.

The C. N. R. is an industry competing with private enterprises and has no right to depend upon a generous government to pull it out of all kinds of holes. The sooner it works out some plan whereby those men who have spent the best years of their life in the service can make a living the better. The board of directors of the C. N. R. could well be dispensed with, with ten or a dozen party men who have been handed out a small reward for services rendered.

We are all anxiously looking for the report of the Railway Commission. Whether it is their purpose to use a little white wash or to call a spade a spade, remains to be seen, but most of us think a little solid business ability infused into our public utilities would be helpful to all concerned.

What do you think?

VOTER.

Moncton, N.B.
April 6, 1932.

"Stop Me If You've Heard This One"

The foreman was going from one man to another with a sheet of paper. When he came to Sandy McKie he said: "Sandy, this is a subscription to get a wreath for Jock Stuart, who died last week. All your mates have given a dollar toward it."

"Och, mon," replied Sandy. "That'll make me an' Jock square. He owed me a buck."

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Business Conditions in Canada

The Week in Business

Lack of New Zealand Pact Disappoints

Wheat Prices Cheer Business Sentiment

COMMENT of business and financial leaders on the Rhodes taxation schedules is generally restrained in that the budget contained few surprises and in fact leniency prevailed compared with what had been anticipated. Criticism was voiced that the increased corporation tax should have been made retroactive to 1931, but this has become such a customary event that there is no new cause for complaint especially as corporation returns on account of income are not yet due. Last year business had very real cause for being vexed in that the Bennett budget of 1931 came some time after corporation returns had been filed with the government.

Disappointment is voiced however that no mention was made in the budget of the pending treaty with New Zealand and strong protests have been received by The Financial Post that the delay in announcing the terms of this pact is having a highly prejudicial effect on business. The following communication received this week from the Maritime province manufacturers is typical:

"The delay in passing of the New Zealand trade agreement is causing a big loss in orders among Maritime manufacturers and they are losing out in the good connections they enjoyed under the old treaty. Cables from New Zealand to manufacturers here state that very substantial orders could have been placed but are being held up or placed elsewhere due to the delay. The only orders received by the maritimes have been, in consequence, insignificant.

"We certainly need all the orders we can get especially at this time in order that payrolls can be increased as the real solution of unemployment is a revival of private industry."

* * *

AS OUTLINED in a news story elsewhere in this issue, the New Zealand treaty has apparently been indefinitely held up at Ottawa and there is little prospect of it being brought down before the Imperial Conference. This has important implications particularly in so far as the Imperial Conference is concerned, and it is to be sincerely hoped that an affair of such importance to Canada and to the Empire will be speedily brought to a satisfactory conclusion.

* * *

AS FOR the business records of the week, the most important is of course the substantial rise in wheat prices. Added to this is encouraging news on moisture conditions—a situation which continues favorable, but hinges as far as the southern prairie areas are concerned, on the spring rains, which have been doing excellent work in Old Ontario and other parts of the Dominion. In the United States a disturbing week has come and gone with little apparent result other than a further bad break in the stock markets. Some recovery is noted in spring trade but not enough to indicate even the usual seasonal rise that might be expected at this time.

Wheat stocks for the week ended March 31 were 184.565,284 bus. compared with 186,395,529 bus. last week and 180,540,105 in the corresponding week in 1931. Export shipments for the week ended March 31, were 2,976,326 bus., being an increase of 92.38 per cent over the same week in 1931, but total exports for the five weeks ended March 31, at 12,165,718 bus., were 12.099 per cent less than exports for the same period in 1931.

Farm lands in Canada, including only occupied land, improved and unimproved, and dwellings, houses, barns, stables and other farm buildings, had an average value in 1931 of $28 per acre as compared with $32 in 1930, according to the Dominion Bureau of Statistics.

SALES TAX LEVY NOT BIG PRODUCER WITHOUT UPTURN

Unless Business Increases Tax Will Yield Only $62,000,000

LESS THAN IN 1929

Fiscal Year Ending Mar. 31, 1929, Gave Govt. $63,-647,000 With Only 3 Per Cent Tax

Unless the volume of business in Canada during the fiscal year ending March 31, 1933, shows improvement over the preceding 12 months, the Federal Government will collect less than $62,000,000, from its 6 per cent federal sales tax, comparison with previous year's records reveals. In the fiscal year just ended the Government raised $41,271,000 from a 4 per cent sales tax, according to official estimates tabled in the house last week. The last time a 6 per cent tax was in force was in the year ending March 31, 1924, when total revenue received from this rate of tax, was approximately $100,000,000. In 1929 on a 3 per cent rate, $63,647,000 was raised.

In addition to raising the rate of tax from 4 to 6 per cent the Federal Government also cut down the list of exemptions, which it will be remembered was very materially reduced a year ago. Items now taken from the exempt list are: bakers' cakes and pies, lard compound and similar substances made from animal or vegetable stearin oil, or ice cream, processed milk foods and cereal foods under Customs. Items 45 and 46, and usual coverings for goods not subject to the sales tax. Biscuits are to be raised from the half to the full rate.

In addition to increasing the sales tax, the Government also increased the excise tax on all goods imported into Canada to 3 per cent as against a 1 per cent tax in force previously.

On the basis of latest available figures, revenue from this source in the fiscal year just ended would amount to approximately $5,500,-000, so that with the new tax in force, and assuming that there is some increase in importations during the next 12 months either as a result of the Imperial Conference or through general improved trade, a total revenue of between $15,000,000 and $20,000,000 can be anticipated from this source.

Details of revenue collected by the sales tax since it was inaugurated in 1920 are as follows:

12-Year Summary of Sales Tax

Year ended March 31	Revenue	Basic rate
1921	$38,128,063	1% wholesale; 2% retail.
1922	61,518,751	1½% wholesale; 3% retail.
1923	91,262,455	2¼% wholesale; 4½% retail.
1924	100,950,078	6% uniform from Jan. 1, 1924.
1925	66,707,370	5% uniform from Apr. 11, 1924.
1926	74,025,093	5% uniform from Apr. 11, 1924.
1927	82,305,670	5% uniform from Apr. 11, 1924.
1928	72,100,244	4% uniform from Feb. 18, 1927.
1929	63,646,702	3% uniform frem Feb. 17, 1928.
1930	44,859,700	2% uniform from Mar. 2 1929.
1931	20,785,000	1% uniform from May 2, 1930.
1932	41,271,000*	4% uniform from June 2, 1931.

*Estimated.

March Building Contracts Decline Over $4,000,000

Awards of construction contracts in Canada during March amounted to $10,766,700 compared with $14,802,600 in February and $27,311,800 in March, 1931. Despite this substantial decrease in volume, it is understood that prospects for new building is better than for several months. Lower prices of materials have contributed to the decrease, and less ambitious construction programmes for governments have also had an effect.

Ontario was responsible for 42.6 per cent of all contracts awarded, Quebec was responsible for 30.6 per cent, the prairie provinces for 18.6 per cent, British Columbia for 5.3 per cent and the maritimes 2.9 per cent. While engineering contracts were lower during March, business and residential building showed improvement over the previous month.

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Governments Influence Business Trend

	Canada	United States
Commodity Prices:	No. 1 Northern cash price recovers to 63⅝c on heavy decline in North American visible supply.	Better resistance shown to declining trend.
Iron and Steel:	Demand continues weak, especially for construction.	Unfilled orders continue decline. Industry at 22½ per cent of capacity.
Foreign Trade:	Large increase in wheat exports over previous week.	Relative stability, about 28 per cent below 1931, maintained.
Carloadings:	Index drops from 72.01 to 70.77 for week after allowance for Easter holiday.	Decline 3.95 per cent from previous week.
Employment:	Commencement of outdoor activity expected to improve conditions.	Motor industry causes slight seasonal improvement.
Stock Markets:	General decline continues after week-end rally.	Continual new lows as Government investigates alleged short selling conspiracy.
Foreign Exchange:	Canadian dollar holds above 90 cents in New York.	European and Asiatic currencies improve at expense of U. S. dollar.
Week's Highlight:	Taxation schedules in budget contain few surprises and are shade lighter than expected.	Accusations made in U. S. of French demoralization of dollar and bear manipulation of security markets.

Sales in Rubber Industry Drop 28 p. c. in Past Year

Rubber Association Report Reviews Conditions in 1931—Rate of Decline Now Thought Checked

A slowing-up in the rate of decline in the Canadian rubber industry—now in its third year of declining production and sales—is seen by A. B. Hannay, manager and secretary of the Rubber Association of Canada, in his annual report issued last week.

In 1931 rubber brought into Canada for fabrication declined 8,000,-000 lbs. while sales by members of the association declined by $18,-675,000. A year ago sales declined also by $18,000,000 while rubber imports were lower by 15,000,000 lbs. The peak of prosperity was reached in 1928 when sales totalled $85,250,000 as compared with approximately $47,000,000 in 1931. A decline of 45 per cent in the three-year period, and a drop of 28 per cent from the $65,600,000 figure of a year ago.

Exports Suffer Most

Analyzed according to export and domestic sales, Mr. Hannay finds that for two years there have been declines in both domestic and export dollar sales. Domestic sales in 1930 dropped $10,000,000 or 18½ per cent while in 1931 they dropped $4,250,000 or 20 per cent. In export dollar sales the figures are even more distressing for in 1930 there was a drop of $7,750,000 or 27 per cent, and in 1931 a drop of $9,454,000 or 46 per cent.

Compared to the United States, Mr. Hannay finds the condition of the Canadian rubber industry considerably superior, there having been no failures and most firms having been able to make a modest profit. When improvement in business finally comes, Mr. Hannay believes it will be exceedingly rapid in the rubber industry as merchants stocks are low and consumers are in many lines using nearly exhausted rubber which will have to be replaced.

Warren Now President

At the annual meeting, F. A. E. Warren was elected president of the association for the coming year. Mr. Hannay's remarks were in part as follows:

"The decline of manufacturing activity, judged by the crude rubber test, is still going on but apparently at a decreasing rate, as the drop in crude importations for the first two months of this year is only 373,000 pounds, while the average decline in 1931 was a million and a third pounds for two months period. It may be that this indicates a general and permanent slowing in the rate of decline and even that it may foreshadow the approach of the time when rubber manufacturing activity will be marked by increase instead of decline. However, it cannot be denied that the Canadian rubber business is now in about the dollar sales-volume position it had between eight and nine years ago.

"Last year the average number of daily employees and the amount paid them was about the same as in the year 1924, but the investment in realty and plant equipment was greater by $14,148,000 or 32½ per cent; that is a similar number of employees were attempting to earn interest on a substantially larger investment.

"The annual activity of the industry is perhaps best shown by crude rubber entered for consumption and these figures for the past thirteen years are as follows:

Crude Rubber Imported By Canada
(Customs Figures)

	Total lbs.	Dollar Value
1919	19,645,190	$ 8,832,547
1920	26,682,176	12,579,584
1921	18,476,290	3,598,386
1922	21,075,630	3,548,273
1923	29,695,626	8,713,209
1924	32,893,840	8,199,734
1925	44,407,421	25,810,949
1926	45,312,477	24,926,556
1927	59,145,951	22,623,511
1928	69,197,385	18,035,338
1929	79,407,944	17,107,408
1930	64,491,959	8,681,743
1931	56,582,678	4,130,262

"While the picture of the two years slump in the Canadian rubber manufacturing industry is not a pleasant one, still it is by no means as bad as that of the United States or some other countries. In Canada, not only has there been no failure recorded, but several small concerns have been added to the industry. Most of the Canadian companies have shown modest profits in contrast with records of heavy losses and actual business failures in other countries.

Improvement Will Be Rapid

"When improvement of business finally comes, there is every reason to believe that it will be exceptionally rapid in the rubber industry, for merchants' stocks are low and in tires, footwear and some mechanical lines the consumers are using nearly exhausted rubber, which will have to be replaced. One instance of this is the truck fleet owner, who in many cases is reported to have laid up many of his vehicles and is taking tires from idle trucks to equip those he is operating. In spite of low prices, shabby tires are the rule rather than the exception on passenger vehicles.

"During periods of slack demand, there seems always a tendency for the individual manufacturer to seek, and sometimes savagely strive to maintain his past position at the expense of his competitor. Special prices are the usual means to this end and the inevitable consequence of price-cutting by one is speedy price reduction for all.

Many Goods Below Cost

"In Canada rubber goods are selling at bottom prices for all time. Many articles are now being provided to consumers actually at less than the cost of producing and selling. There would appear to be no reason for further price-reduction. In fact the contrary would seem to be true. The consumer cannot expect indefinitely to be served with goods at less than cost, and the authorities do not expect business to be operated at loss or even without reasonable return for investments.

"Economists agree that if producers of wheat, cotton, rubber and all other commodities and the producers of manufactured goods were tomorrow to demand and obtain small profits for their products, distress and hard times would be speedily succeeded by prosperity, and contentment. This might seem to be a time for price increases rather than reductions. It is, therefore, satisfactory to know that recently in the case of rubber footwear, in heels and in soles, recent changes in charges for goods have been in the direction of taking the producers out of red figures. Their example might well be followed elsewhere."

Business Briefs

Emigration to U. S. A. in February was 251, net, and in the eight months ended Feb. 28, was 4,911 net. Emigration to U. S. A. in February amounted to 349 and immigration from U. S. A. was 98 persons. During the eight months immigation into Canada was 1,187, and emigration to U. S. A. was 6,098 persons. These figures are compiled monthly by the U. S. Dept. of Labor.

Car loadings for the week ended April 2 amounted to 41,047 cars, an increase of 2,740 over the previous week, but a decrease of 8,009 from the same week in 1931. After adjustment for the Easter holiday in the previous week the index number dropped from 72.01 to 70.77 for the week ended April 2. Total loadings in 1932, to April 2, were 533,632 cars compared with 607,836 cars in the same period of 1931. Merchandise car loadings were 14.264 for the week, an increase of 1,782 over the previous week, but after adjustment for the Easter holiday the index number dropped from 85.33 to 84.21. Total merchandise loadings in 1932, to April 2, were 170,803 cars compared with 191,647 cars in the corresponding 1931 period.

Pound Sterling average value, fixed by the Department of National Revenue for special duty purposes, is $4.20 effective for entries from April 16 to April 30, inclusive.

FIRST DECLINE IN AUTOMOBILE REGISTRATIONS

Tax Revenues Collected from Motor Cars Also Drops

Registrations of motor vehicles in Canada in 1931 showed a decline, according to the preliminary report of the Dominion Bureau of Statistics, for the first time in the history of the industry. The total of all classes of vehicles registered was 1,206,836 compared with 1,-239,888 in 1930, so that the decline amounted to 33,052 vehicles, or 2.7 per cent.

Passenger car registrations dropped from 1,047,494 in 1930 to 1,024,385 in 1931, a decline of 2.2 per cent. The relative decrease in commercial vehicle registrations was larger, the total falling from 192,394 cars in 1930 to 182,451 in 1931, a decline of 5.2 per cent.

Fewer New Vehicles

The most significant feature of the decline in passenger car registrations was the heavy decrease in registrations of new cars during the year. Increases were actually reported in renewals in provinces which segregated such renewals and new car registrations. This would indicate that old cars were maintained in service instead of being scrapped. Increase in renewals in Nova Scotia, New Brunswick, Quebec, Ontario and British Columbia totalled 30,489 compared with a decrease in new passenger cars of 29,027. The relative decrease in new passenger cars was probably still greater in the Prairie Provinces where the total drop in registrations was 9.9 per cent.

Canada's total registration of motor vehicles was exceeded only by the United States, Great Britain and France. Average population per motor vehicle was 8.6 persons which is surpassed only by the United States with 4.6, and by Hawaii and New Zealand with 7 each.

Revenue Contributions Lower

Total taxes collected from automobile registration fees, mileage taxes, etc., amounted to $19,684,-908, being a decrease of $481,375 from the 1930 total. Increases were shown in revenue so collected in Ontario, Quebec, New Brunswick and Nova Scotia, but all the other provinces showed decreases, Alberta being the worst sufferer in this respect.

All provinces levied a gasoline tax of five cents per gallon in 1931 except Prince Edward Island where the tax was six cents during June, July and August, and Quebec where the tax was raised to six cents in December. The total amount collected in gasoline taxes during the year was $22,546,119 compared with $22,655,225 in 1930. Total revenue from both sources was, therefore, $42,231.027 for the year, a net decline of $590,481 from the 1930 total, the increases obtained in the Eastern provinces being more than offset by decreases in the West and in Prince Edward Island.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car Loadings (Apr. 2)	41,407	49,416	533,682	607,836
C.P.R. gross earn. (Apr. 7)	$ 2,221,000	$ 2,777,000	$ 30,336,000	$ 37,485,000
C.N.R. gross earn. (Apr. 7)	$ 2,771,166	$ 3,396,388	$ 36,972,516	$ 45,597,597
	Monthly			
C.P.R. net earn. (Feb.)	$ 229,434	$ 267,238	$ 846,913	$ 1,129,486
C.N.R. net earn. (Feb.)	$ ‡589,428	$ 170,548	$ ‡1,177,551	$ 682,477
Iron and Steel—				
Pig iron, tons (Feb.)	10,510	46,400	56,910	81,922
Steel, tons (Feb.)	28,420	82,640	53,480	140,238
Automobiles prod. No. (Feb.)	5,477	9,871	9,208	16,367
" exports, No. (Feb.)	414	1,596	996	4,691
Construction—				
Building Permits (Feb.)	$ 2,578,597	$ 6,395,659	$ 5,430,526	$ 14,797,115
Contracts (Mar.)	$ 10,766,700	$ 27,311,800	$ 38,307,600	$ 73,541,000
Newsprint—				
Production, tons (Feb.)	158,543	164,552	329,864	347,625
Exports, tons (Jan.)	172,913	153,362	......	......
Sugar—				
Imports, raw, lbs. (Feb.)	24,368,700	43,569,500	36,354,400	66,686,300
Manufactured, lbs.*	51,876,286	55,588,555	§105,448,206	123,180,425
Flour—				
Production, bbls. (Feb.)	842,123	1,035,383	1,693,315	2,121,655
Wheat flour exp., bbls. (Feb.)	337,513	414,773	669,319	807.029
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (Feb.)	60.14	72.32	114.28	129.43
Boots & shoes, pr. (Feb.)	1,558,413	1,276,965	2,670,605	2,261,889
Petroleum, imp. crude, gal. (Feb.)	48,582,747	61,696,245	121,311,390	120,671,240
Cotton, imp., raw, lbs. (Feb.)	7,074,000	5,889,000	13,602,000	15,541,000
Rubber, raw, imp., lbs. (Feb.)	3,859,283	4,315,656	7,770,689	8,144,186
Coal, imports, tons (Jan.)	629,633	792,826	......	......
Trade—				
Imports (Feb.)	$ 35,586,085	$ 50,994,084	$ 69,700,592	$ 101,862,402
Exports (Feb.)	$ 36,431,055	$ 43,872,682	$ 74,797,754	$ 88,490,565
Wheat exports, bus. (Feb.)	9,898,863	10,296,603	19,370,709	19,905,455
Labor—				
Employment Index (Feb.)	88.7	100.2	......	......
Electric Power—Output—				
M. Kilowatt hours (Feb.)	1,329,784	1,338,987	2,749,333	2,827,708
Finance—				
Failures, No. (Jan.)	238	240	......	......
Failures, Liabilities (Jan.)	$ 4,061,000	$ 8,970,679	......	......
Bank Debits (Feb.)	$ 1,990,046	$ 2,534,918	$ 4,061,080	$ 5,203,238
Bond sales (Feb.)	$ 21,250,069	$ 26,909,955	$ 67,167,155	$ 147,259,576
Insurance sales (Feb.)	$ 38,145,000	$ 40,180,000	$ 75,476,000	$ 81,368,000
Automobile Financing:				
Used cars (Feb.)	$ 799,413	$ 1,439,500	$ 1,611,913	$ 2,726,904
New cars (Feb.)	$ 725,299	$ 921,042	$ 1,358,006	$ 1,830,556

*Four weeks' period, Mar. 5 to Mar. 26. §Jan. 1 to Mar. 26.
†(000's omitted).
‡Deficit.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

A. S. Boyle Co. of Cincinnati, Ohio, is planning to erect a $125,000 factory at Windsor to manufacture pharmaceutical and other products including floor wax. Construction of the first unit will commence July 1. Present plans call for the erection of a 4-story building with 55,000 sq. ft. floor space and employment at the start of about 30 people. Eventually a plant three times the size of the first unit is planned. The plant will be at the corner of Campbell and College Avenues. This supplements a previous notice in this column on Feb. 13.

Prolac Ltd. of New York have purchased the plant of Asbestos Manufacturing Co., Lachine, P.Q., and will manufacture asbestos products such as corrugated-sheathing and siding, shingles, millboard, wallboard, walltile and products of a similar nature, and also an asbestos blackboard for use in schools and colleges.

Victor Hack-Saw Manufacturing Co., of Middletown, N.Y., manufacturing hack-saws, has established a Canadian branch at Ville St. Pierre, P.Q., and the manufacture of their products has commenced.

A. C. Shackleton of Montreal has purchased factory premises at Listowel, Ont., to operate a weaving industry manufacturing cloth for men's and women's clothing. The plant was formerly occupied by Clark Metals and production will commence at the end of this month giving employment to 15 or 20 hands.

Westinghouse-Neon Co. is a new Canadian company which has opened the first unit of a plant at Hamilton, Ont., to manufacture Neon tubing. The company is occupying premises formerly used by F. T. Brock Signs Co. Paul J. Myler is president of the company and E. C. Gould, vice-president and general manager.

Airway, Ltd., is a newly-chartered Canadian subsidiary of Airway Electric Appliance Corp. of Toledo, which has secured 5,000 sq. ft. of space in the former Universal Cooler plant at Windsor, Ont., to manufacture vacuum cleaners for the Canadian and Empire market. Operations will commence immediately. L. W. Child is Canadian manager of the new company.

Altorfer Bros. Co. of Peoria, Ill., manufacturers of A. B. C. washing machines will commence manufacture of their products in Montreal according to an announcement by Norman Holland, Montreal Industrial Commission. The machines will be produced under the direction of Philip Methot and will be sold in Canada through Northern Electric Co. The parent plant has been in operation since 1909. The new plant will be on Notre Dame St. E.

Markel Electrical Co. of Buffalo has leased plant space at Fort Erie, Ont., to manufacture electrical appliances.

King Refractories, Ltd. of Buffalo, manufacturers of fire brick have purchased property for a new plant on Waterloo St., Fort Erie. The Canadian plant is being moved from Toronto to Fort Erie to be near the parent organization.

S. Goumpert Co. of Brooklyn, N.Y., has established a small plant at Montreal to produce merchandise which it has been importing and selling to bakers and ice cream manufacturers in Canada.

Siegel, Kahn & Co. has been formed to manufacture at Toronto, toilet accessories and cosmetics, the Industrial Commission of that city announces. Space has been leased at 252 Richmond St. W. and initial production will commence in 3 weeks. Employment will be provided initially for 50 persons. The company is a subsidiary of A. L. Siegel Co. and Edward E. Kahn, Inc., of New York.

Standard Bronze of Toronto is enlarging its plant to manufacture lighting fixtures and lamps the products of Lightolier of N. Y. A new Canadian subsidiary, Lightolier, Ltd., will be incorporated to manufacture and distribute these products. John A. Tanner, president of Standard Bronze and secretary of the new company will be in charge of Canadian operations.

Tile Supply Co., manufacturers of marble and stonework, has opened a new plant on Myrtle St., Winnipeg.

Benefits from Fertilizer Foreseen by Royal Bank

April letter of the Royal Bank of Canada contains a valuable commentary on the present use and production of fertilizers in Canada and on the possible future development of this industry.

Indications of a more active demand for wheat by importing countries are seen in increases in the foreign wheat quotas by France and Italy. The French quota is now 40 per cent and the Italian quotas are 50 per cent in northern and 70 per cent in southern mills.

Germany has reduced her tariff on foreign wheat and is considering modification of the milling regulations to enable the importation of some 14,000,000 bus. of wheat. Further exports of wheat from Russia are not expected this season, and scarcity of seed may result in reduced acreage.

Production of creamery butter in Canada during 1931 is estimated at over 227,000,000 lbs., a new high record. The prairie provinces all made new records in butter production.

HYDRO-ELECTRIC SECURITIES CORPORATION

INCORPORATED UNDER THE LAWS OF THE PROVINCE OF QUEBEC, CANADA

BOARD OF DIRECTORS

Frank B. Common, K.C., Montreal, President — C. L. Fisher, London, Vice-President
Charles Fabri, Brussels — Prentiss N. Gray, New York — Count de Henricourt de Grunne, Brussels
Fernand Maillot, Paris — G. H. Montgomery, K.C., Montreal — Major Albert Pam, London
Dr. H. F. Parshall, D.Sc., M.Inst. C.E., London — Hon. Gordon W. Scott, Montreal
Jean Washer, Brussels — Count Roger Van der Straten-Ponthoz, Brussels
Henri Wauters, Brussels

Secretary: A. H. Lang, Montreal

THE ROYAL BANK BUILDING — MONTREAL

FIFTH ANNUAL REPORT
For the Year Ending December 31st, 1931

Effect being given therein to By-law enacted by the Directors on December 9th, 1931, and approved, sanctioned and confirmed by the Shareholders in Special General Meeting held on January 8th, 1932, and confirmed by Supplementary Letters Patent which provided for (1) the extinction of two Accounts Receivable totalling $9,938,000.00, plus the balance of interest due thereon by the surrender of 993,800 Class "B" Cumulative Participating Preferred Shares: (2) a reduction of $9,938,-000.00 of the Class "B" Preferred Capital effected by cancellation of the aforementioned surrendered Shares and (3) the reduction of $26,808,895.00 of the Common Share Capital.

ASSETS

CASH WITH BANKERS AND ON DEPOSIT			[illegible]
ACCOUNTS RECEIVABLE—			
Balance due in respect of Securities Sold		$960,000.00	
Others		22,347.50	
			$982,347.50
INVESTMENTS—			
Securities purchased at cost		$51,710,836.20	
Securities received in lieu of interest or received as Stock Dividends, taken at market value on day when received		1,370,490.97	
Together		$53,081,327.17	
DEDUCT— Appropriation from Common Stock Account (per contra)		26,808,895.00	
			$26,272,432.17
			$27,529,210.66

NOTES: A—The value of the Investments at December 31st, 1931, expressed in Canadian currency, at the rates of exchange then ruling, was $26,322,636, of which $20,547,-561 was based on current market quotations and $5,775,075 valued by the Directors.

B—The Exchange Profit on the above Cash and Accounts Receivable, which are realizable in United States Funds, has not been taken up.

LIABILITIES

CAPITAL— Authorized—			
300,000 5% Class "A" Cumulative Participating Preferred Shares of $100.00 each	$30,000,000.00		
1,006,200 5% Class "B" Cumulative Participating Preferred Shares of $10.00 each	10,062,000.00		
2,000,000 Common Shares without par value			
Issued—			
1,006,200 5% Class "B" Cumulative Participating Preferred Shares of $10.00 each		$10,062,000.00	
1,476,393 Common Shares without par value issued for	$34,190,860.00		
Deduct: Appropriation against Book Value of Investments (per contra)	26,808,895.00		
		7,381,965.00	
			$17,443,965.00
INVESTMENT RESERVE—			
Appropriation from Earned Surplus at December 31st, 1930, being Profits on Investments realized during the years 1927 to 1930		$8,197,297.17	
Net Profit on Securities realized during 1931		401,531.65	
			8,598,828.82
EARNED SURPLUS at December 31st, 1931, as per Statement of Profit and Loss and Surplus			1,486,416.84
			$27,529,210.66

Approved on behalf of the Board:
R. VAN DER STRATEN-PONTHOZ, C. L. FISHER } Directors.

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE HYDRO-ELECTRIC SECURITIES CORPORATION

We have made an examination of the Books and Accounts of the Hydro-Electric Securities Corporation for the year ending December 31st, 1931, and have received all the information and explanations which we have required. We report that, in our opinion, the above Balance Sheet shows the true financial position of the Company as at December 31st, 1931, as shown by the Books, after giving effect to the By-Law approved at a Special General Meeting of the Shareholders, held on January 8th, 1932, and confirmed by Supplementary Letters Patent, referred to above, and subject to the valuation attributed to the Stock Dividends credited to Earnings, that the Income for the year is correctly set forth in the accompanying Statement of Profit and Loss and Surplus.

Montreal, March 10th, 1932. PRICE, WATERHOUSE & CO., Auditors.

STATEMENT OF PROFIT AND LOSS AND SURPLUS for the Year ending December 31st, 1931

Profit for the year ending December 31st, 1931— ORDINARY INCOME—			
Dividends and interest received in cash, including interest received from Subscribers to Common Shares			$1,830,[illegible]
Dividends received in stock, whereof: Sold for cash		$71,858.35	
Retained as investments and valued at market prices prevailing on dates dividends were received		1,117,320.89	
			1,189,179.24
Total			$3,019,930.98
EXTRAORDINARY INCOME—			
Profit on Syndicate participation		$ 451.32	
Underwriting commission		243.00	
Exchange Gains		1,333.84	
			2,028.16
TOTAL INCOME			$3,021,959.14
DEDUCT—			
Transfer Agents' and Registrars' fees and cost of printing certificates		$ 9,256.21	
Administrative and general expenses		44,238.09	
			53,494.30
Profit, before Remuneration of Directors and Advisory Committee			$2,968,464.84
SURPLUS, at January 1st, 1931		$9,342,473.10	
DEDUCT—Appropriation to Investment Reserve, being Profits on Investments realized during the years 1927 to 1930		8,197,297.17	
			1,145,174.93
TOGETHER			$4,113,639.77
DEDUCT—			
Remuneration of Directors and Advisory Committee for the year 1930		$ 150,929.93	
Dividends paid on Preferred Shares:			
February 2nd, 1931—2½%	$500,000.00		
August 1st, 1931—2½%	500,000.00		
		1,000,000.00	
Dividends paid on Common Shares:			
March 16th, 1931—35c per share	$516,737.55		
June 19th, 1931—35c per share	516,737.55		
Sept. 28th, 1931—30c per share	442,917.90		
		1,476,393.00	
			2,627,322.93
SURPLUS, at December 31st, 1931, subject to remuneration of Directors and Advisory Committee for the year 1931			$1,486,416.84

MANITOBA VOTING WILL SEE PARTIES NEWLY ALIGNED

Difficult to Forecast Result of Province's Election

From Our Own Correspondent

WINNIPEG.—With the provincial general election, due to take place next June, the political situation in Manitoba appears to be a highly complicated one. The election itself, it appears, is likely to be bitterly contested, and to be fought with a minimum of issues. Principal question at issue to be whether or not discontent with current economic conditions will be reflected more to the disadvantage of the Conservative party, because it is in power at Ottawa, than to that of Premier Bracken, since the accession of the Conservatives to power provides the only alternative in sight to the Premier retaining office.

Some months ago Premier Bracken, whose supporters are generally designated as Progressives, although in fact a Progressive party as such no longer exists, invited the opposition Liberal, Conservative and Labor groups, to unite in forming a coalition government. The Labor and Conservative groups promptly declined, while the Liberals officially expressed a willing attitude. But no reorganization of the cabinet took place, the Liberals and Progressives reaching an understanding that they were to co-operate in the coming election, and that the cabinet after election was to be representative of both parties. Even the question as to who was to be premier after the election, assuming the victory of the combination, was presumed for a time to be more or less an open one, although it is now taken for granted that there is little likelihood of the Premier being displaced by any one else.

Outcome is Doubtful

At first the combination was presumed to have been a successful political stroke on the part of the Liberals, leading possibly to the final disappearance of the Progressive party as such, and to the absorption of its adherents in the Liberal party, which, it was assumed, would be thereby strengthened in Federal affairs. But the outcome is now more doubtful. To begin with, a section of the Liberal party promptly broke away, and proceeded to denounce the alliance, largely on the record of the present government. Then in the country constituencies discontent developed when it appeared that most of the members in the Legislature supporting the Premier had already managed to get themselves renominated at constituency conventions, and Liberals who were expected to support the candidate were excluded from either getting the nomination or sharing in making it. In other places it developed that a considerable number of former Progressive supporters were really Conservatives by inclination, and were likely to welcome the excuse given by the alliance to return to the Conservative party.

DISHER STEEL SHOWS SMALL LOSS IN 1931

Liquid Position Improved; Redeems Some Preferred

Disher Steel Construction Co. had an operating profit of $31,215 in 1931 including amounts previously provided for contingencies, as compared with $75,484 in 1930 and $129,324 in 1929. After provision for depreciation and provision for income tax the company had a net profit of $14,725 in 1931 and paid out $19,500 in preferred dividends, leaving a loss for the year of $4,775. The class "A" preferred stock earned $1.16 per share in 1931 and $3.98 per share in 1930.

Sales by the company in the first six months of 1931 showed a decrease of 30 per cent from the corresponding period of 1930 but were 49 per cent less in the last six months of 1931. Manufacturer of structural steel, the company has been directly affected by reduced activity in the construction industry. While surplus carried forward of $106,096 was somewhat under that of the previous year liquid position of the company was improved and the preference stock outstanding was reduced by 375 shares. Inventories are stated to have been fully depreciated.

Current assets of the company total $165,849 and current liabilities $18,902; ratio of 8.8 to 1 compares with a ratio of 6.6 to 1 in 1930. Current assets consist of cash, $30,358; Dominion bonds, $40,938; accounts receivable $44,563 and inventory at $49,989. Current liabilities consist chiefly of accounts payable totalling $14,056. Fixed assets are valued at $232,025 from which is deducted reserve for depreciation amounting to $100,187 leaving a book value of $131,837. Goodwill remains at $200,000. The company has outstanding 12,625 shares of class A cumulative preference stock and 22,500 common shares. Both classes of shares are without par value. Dividend on the class A preference shares is cumulative from November 1, 1931 at the rate of $1.50 per year.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1931	1930	1929
	$	$	$
Oper. profit	*31,215	75,484	129,324
Less: Deprec.	13,909	19,400	18,598
Less: tax prov.	2,580	4,319	8,845
Net profit	14,725	51,765	101,881
Less: Pfd. divid.	19,500	21,045	7,000
Reorgan. exp.	......	......	5,074
Goodwill w/o.	......	......	79,813
Surp. for year	†4,775	30,720	9,994
Add: Prev. surp.	110,871	80,151	82,886
Less: Adjust.	......	......	12,709
Surplus forward	106,096	110,871	80,151

†Loss. *Includes amounts previously provided for contingencies.

B.C. Electric Railway Fights Five Cent Fare

From Our Own Correspondent

VANCOUVER.—President W. G. Murrin, of the B. C. Electric Railway (B. C. Power) appeared before the Vancouver city council to argue against the city's proposed return to the five cent fare and, after outlining his company's financial problems, declared that the time had come for closer co-operation between the city and the tramway company with a view to either increasing the company's revenues or reducing the expenditures. He said that a reduction in fares from seven to five cents was out of the question and that if the matter were pressed the company would apply for arbitration, as provided for in the agreement between the two bodies.

The present agreement expired last November, but its consideration was postponed.

Mr. Murrin stated that the net return of the company on capital invested, averaged over the three years of the agreement now terminating, was only 2¼ per cent.

Total revenues dropped from $3,-418,672 in 1928 to $3,374,487 in 1931, a reduction of $44,184, despite the increase in fares from 6 to 7 cents in the interval.

Does Profit Sharing For Employees Pay?

Bell Telephone Co. of Canada Has Plan For Continuous Purchase of Common Stock By Salary Deductions and Assignment of Dividends

Of all the stock purchase plans inaugurated by Canadian companies for the benefit of employees that of the Bell Telephone Co. is one of the most thorough-going. With this 8 per cent common stock now selling at 90, the lowest point this century, although the present rate has been maintained continuously since 1891, the supreme test in Canada is here being given to the idea of having employees part owners of the business they work for.

With such a long record of dividend payments, with continuous expansion in keeping with the growth of Ontario and Quebec and with the strong backing of American Telephone & Telegraph Co., which owns 24 per cent of the common stock, there was every reason for the originators of the plan to believe that they were not only rooting ever deeper the loyalty of employees to their own organization but that they were providing them with a fool-proof way of providing for their old age. And so they were and are if Bell Telephone can keep up for the next 50 years with no or few interruptions the same rate of dividend now being paid.

Borrowed Largely From U. S.

Probably the appearance of the last balance sheet of an amount of $9,075,000 due for loans made by American Telephone & Telegraph Co. has unsettled many investors' minds although to many others this is a strong feature. The latter note on the asset side that telephone plant and equipment increased during the year by more than $8,000,000 and investment securities by nearly $4,500,000. The item to them showed a source, not open to most companies at this time, for financing expansion until such period as financial markets have recovered.

The Financial Post took the occasion in the last week to sound out a few employees of the Bell Telephone Co. as to how they feel toward their company now that the stock is selling around 90. The answers showed a strong faith in the future of the company even though at the end of February this year employees had been asked to take temporarily a five per cent cut in pay as a precautionary measure in hard times.

"Well, I am subscribing continuously for stock of the company," said one employee of many years' standing, whose answer epitomized those received from others. "The way I feel is this, that if Ontario and Quebec are going to grow and prosper over the long term, then my company is going to move ahead with them. If those provinces are going backward, then our company will be a washout, too. I don't think it is going to be a washout and I think that so strongly that I am buying nothing else but Bell Telephone stock except a few Government bonds now and then when I have some extra money."

Asked if this did not offend against one cardinal principle of an investment policy, diversification, he answered, "No, I don't think it does. The company is willing on behalf of any employee to pay their life insurance premiums, keeping enough back each bi-monthly pay day to see that the policy is kept paid up. I have taken advantage of that and it gives diversification of a very important kind. The insurance companies have bought every kind of security they consider safe, including mortgages. Their investments help toward my future."

Buying With Dividends

The Bell Telephone Co. employees' stock plan has two phases. If an employee carries the continuous plan of buying over three-year periods four shares of the stock at $115 a share he will in 30 years have 40 shares paying $8 a share and giving him $320 a year if at that time the stock still pays such dividends. If, however, he accepts the dividend assignment plan by which dividends of shares thus purchased and paid for at the end of each three-year period are assigned for the purchase of one share extra for each four shares owned, the result is astounding if one takes for granted that the $8 dividend will be continuous. At the end of 30 years the subscriber would then have 100 shares of Bell Telephone Co. common stock paying $800 annually. No difference has been made by the company in price for which employees can buy the stock because it is now selling at 90 in view of the fact that when the stock was selling at 140 and 150 employees could still buy at 115 and will again if prices are restored to those old levels. Interest is paid on salary deductions until stocks are paid for.

Afraid of Many Baskets

One employee was asked if a continuous purchase of one stock was not risking the revenue of his old age on one throw. "You mean, am I not putting all my eggs in one basket?" he asked. "That is true as far as securities are concerned. But I had friends who played the market in 1929 and even those who bought outright did not save their eggs by their many baskets. Remember that you can watch one basket easier than many. And besides, I never supposed that 30 years would not make any difference in the value of this security but it might be upward. I see no trend in invention or business which looks dangerous for the telephone business and until I do I will not worry. I know I could go farther and fare worse. And besides, there is nothing to prevent me saving more money if I care to make sacrifices and buy other securities if I wish."

Make Up Half Shareholders

Of 12,832 employees of the Bell Telephone Co. of Canada who are eligible to subscribe for the common stock of the company, 10,200 employees have subscribed for 43,878 shares, according to the annual report for the year ending December 31, 1931. This is statistical evidence of the high opinion which employees of this company have of its prospects and of the safety of the stock for which they have ventured their savings under company auspices. Half the shareholders of the company are employees and they own 5.73 per cent of total shares.

The employees stock plan in the first place was intended to encourage and to facilitate systematic saving by employees out of their earnings and to enable them to become part owners of the business.

No employee is under any obligation to purchase stock. The plan is part of a general thrift programme provided for the employees and it was introduced in order that it would induce employees to accumulate a permanent investment or estate, the principal or income of which would be available to supplement pension and other income after retirement from active service.

Any employee who at the time of his subscription had been six months continuously in the employ of the company was allowed to subscribe for stock when first offered on May 1, 1920, and May 1, 1922. At that time the subscription price was $100 per share, but on April 1, 1924, it was fixed at $115. Subscriptions were paid for by deductions from the pay and the subscriber was not allowed to subscribe for more than one share of stock for each $300 or fraction thereof of his annual rate of pay at the date of his subscription, to be paid for at the rate of $3 per share per month.

Retired employees are not entitled to subscribe under this plan, but any employee retiring can elect to continue payment for stock for which he had previously subscribed and for which at least one payment had been made. Various arrangements are made to meet situations created by temporary absence of employees without pay, termination of service by death or for other causes when the right to have subscriptions cancelled is given.

To conclude, each share bought by an employee under this plan at the moment is valued at $25 a share less than he paid. It pays the same dividend as always, and prospects on the long view still appeal greatly.

February Return Shows Savings Deposits Rise

Financial Post's Analysis of Bank Statement For February Shows Credit Ratio Improved and Advances Under Finance Act Lower

Principal feature of the February chartered bank statement is the increase of $21,796,944 in savings deposits during the month. Thus the trend established in January is maintained. Decrease in demand deposits offsets a good deal of this however. Foreign deposits are substantially higher with an increase of $9,633,613.

Call loans abroad rose by $33,-037,409 in February which was offset to a large extent by a decline of $18,573,663 in deposits with foreign banks. Apparently this would indicate that the banks have been able to employ such funds more profitably in the call loan market than in such deposits. Government securities have also been reduced materially.

Another interesting change in the statement during the month is the rise of nearly $20,000,000 in loans to provinces and municipalities. These increases may be indicative of future public financing by some of these bodies. In this connection the decline of $14,886,-323 in Dominion Government balances should be taken into consideration.

Advances under the Finance Act show a decline of $7,500,000 which may indicate some easing of the demands on funds.

The Financial Post credit ratio stands at 63.2 per cent compared with 64.1 per cent in January and 65.8 per cent in February, 1931.

The statement as analyzed by The Financial Post is as follows.

	Feb. 1932	Jan., 1932	Change	Feb., 1931	Change
	$	$	$	$	$
ASSETS					
Immediately Available Liquid Resources					
Specie	62,593,953	64,911,161	—2,317,208	74,424,949	—11,830,996
Dom. notes	123,813,981	131,107,095	—7,293,114	102,877,125	+20,936,856
Gold reserve	20,081,732	21,581,732	—1,500,000	25,430,866	—5,349,134
Foreign banks	79,360,425	97,934,088	—18,573,663	107,711,049	—28,350,624
Foreign curr.	13,213,996	13,643,419	—429,423	16,168,127	—2,954,131
Govt. secs.	460,030,113	467,558,278	—7,528,165	426,901,296	+33,128,817
Call loans ab'd	98,954,493	65,917,084	+33,037,409	132,048,289	—33,093,796
	858,048,698	862,652,857	—4,604,164	885,561,701	—27,513,008
Loans and Securities Other Than Those of Canadian Government					
Public secs.	142,735,279	144,874,846	—2,139,567	164,295,595	—21,560,316
Railway secs.	60,985,568	61,285,785	—300,217	62,796,333	—1,810,765
Current loans	1,063,394,898	1,070,718,470	—7,323,572	1,115,837,914	—52,443,016
Loans abroad	190,654,928	189,726,460	+928,468	222,264,107	—31,609,179
Prov. loans	56,237,585	43,442,461	+12,795,124	24,439,279	+31,798,306
Can. call loans	129,767,733	131,174,742	—1,407,009	186,435,667	—56,667,934
Mun. loans	139,291,699	132,864,154	+6,427,545	117,336,918	+21,954,781
	1,783,067,690	1,774,086,918	+8,980,772	1,893,405,818	—110,338,123
Other Assets					
Non-curr. loans	10,863,877	10,686,746	+177,131	7,800,748	+3,063,129
Real estate	6,650,184	6,580,375	+69,809	6,070,292	+579,892
Mortgages	6,262,595	6,293,232	—30,637	6,962,646	—700,051
Premises	79,988,547	79,913,747	+74,800	78,622,032	+1,366,515
Lets. of credit	49,732,168	51,353,335	—1,621,167	76,706,486	—26,974,318
Loans to comp.	12,470,386	12,748,323	—277,937	11,384,794	+1,085,592
Other assets	1,657,852	1,796,267	—138,415	1,826,602	—168,750
	167,625,609	169,372,025	—1,746,416	189,373,600	—21,747,991
Total	2,808,741,992	2,806,111,800	+2,630,192	2,968,341,114	—159,599,122
Note cir. dep.	6,822,186	6,822,186	....	6,797,431	+24,755
Int. bank bal.	96,819,872	87,991,808	+8,828,064	111,091,485	—14,271,613
Gross	2,912,384,050	2,900,925,794	+11,458,256	3,086,230,030	—173,845,980
LIABILITIES					
To the Public					
Circulation	134,291,993	133,673,639	+618,624	143,670,894	—9,378,901
Dom. Govt.	79,764,052	94,650,375	—14,886,323	83,908,230	—4,144,178
Prov. Govt.	20,055,312	20,577,890	—522,578	25,688,372	—5,633,060
Govt. advances	35,500,000	43,000,000	—7,500,000	8,500,000	+27,000,000
Deposits by Public					
Demand dep.	496,487,296	506,942,776	—10,455,480	542,510,276	—46,022,980
Savings dep.	1,390,075,363	1,368,278,419	+21,796,944	1,435,523,785	—45,448,422
Total	1,886,562,659	1,875,221,195	+11,341,464	1,978,034,061	—91,471,402
Foreign dep.	305,818,182	296,184,569	+9,633,613	360,539,590	—54,721,408
Due to Banks Abroad, Etc					
Un. Kingdom	4,787,233	3,678,573	+1,108,660	4,730,939	+56,294
Foreign	52,022,156	41,856,537	+10,165,619	54,129,226	—2,107,070
Bills payable	2,568,542	3,110,074	—541,532	4,576,382	—2,007,840
Lets. of credit	49,732,168	51,353,335	—1,621,167	76,706,486	—26,974,318
Other liab.	2,766,998	2,792,455	—25,457	3,321,680	—554,682
Public liab.	2,573,869,295	2,566,098,372	+7,770,923	2,743,805,860	—169,936,565
Due bet. banks	9,835,474	9,950,161	—114,687	14,926,428	—5,090,954
Liability to Shareholders					
Dividends	3,516,033	1,344,105	+2,171,928	3,518,035	—2,002
Reserve	162,000,000	162,000,000	....	162,225,000	—225,000
Capital	144,500,000	144,500,000	....	145,024,560	—524,560
Gross	2,893,720,802	2,883,892,638	+9,828,164	3,069,499,883	—175,779,081
Credit index*	63.2%	64.1%	—.09%	65.8%	—2.6%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

INTERNAT. COAL MAINTAINED PROFIT

Liquid Position Remains Strong; Subsidiary Meets Charges

International Coal & Coke Co. produced 145,009 tons of coal in 1931, 41,773 tons less than in 1930 and had net income of $23,656 after provision for depreciation as compared with $22,843 the previous year. Surplus account was increased to $285,038 through restoration of $143,086 appropriated from surplus in 1917 to cover depreciation in previous years. Production was lower to decreased railway requirements and business conditions in the west.

The company had current assets of $545,691 and current liabilities of $22,091. Cash amounted to $93,989 and investments which cost $403,529 had market value of $359,347. Coal lands and rights at cost are carried at $3,036,192 and plant, railroads and equipment, at cost, are shown at $1,-083,754. Reserves for depreciation and depletion total $1,429,306. The company has $3,000,000 shares of $1 par value outstanding. An interim dividend of 2 per cent was paid February 15, 1932, and after this payment current position was practically the same as at the end of 1930.

Investment in Coleman Light & Water Co. is carried at $135,135 and includes $107,665 of 8½ per cent first mortgage bonds and 2,747 shares of common stock. Coleman Light ended 1931 with a deficit of $75 after provision for all charges. The Coleman balance sheet shows total assets of $178,635 with fixed assets valued at $131,773 and reserve for depreciation of $33,919.

Coast Paper Mills Ousts Japs in China

From Our Own Correspondent

VANCOUVER.—The pulp industry in British Columbia has benefitted indirectly from the Sino-Japanese warfare, although it has also suffered offsetting losses due to the same cause.

While trans-Pacific trade has fallen off to some extent due to exchange fluctuations, depressed markets, high insurance rates and the general economic disability of the Far East, the fact that China's boycott of Japanese goods applies to pulp and paper has compelled China to come direct to Canada for its pulp.

Under normal conditions Japan supplies most of China's paper, but since the boycott became effective these shipments have been almost entirely eliminated. China has few paper mills, but those that she has are kept working overtime on British Columbia pulp. Several shipments have been made direct to Shanghai in recent weeks by the B. C. Pulp & Paper Company, Vancouver, marking an entirely new trade development. British Columbia newsprint mills invaded the Shanghai paper market some months ago, and are continuing to ship to that port, although in reduced volume owing to the general dislocation of trade following the hostilities.

Scandinavian competition continues on the Pacific coast.

Plans of F. L. Buckley, of Vancouver, for establishment of a sulphite pulp are in abeyance.

Premier Laundry Has Total Assets of $230,030

Premier Laundry Ltd. shows total assets of $230,030 at December 31, 1931, and surplus of $3,414. Current assets total $21,726 and include $1,513 in cash; $14,047 in accounts receivable and $5,809 in inventories. Plant and equipment are valued at $162,981 after deduction of depreciation reserve of $25,642. Real estate is valued at $9,010; furniture and fixtures at $7,467 and autos and trucks at $11,305.

Current liabilities total $25,813, including bank loan of $17,000 and accounts payable of $8,813. Mortgage on property is for $3,800. There are 1,300 shares of 7 per cent preferred stock outstanding and 10,400 shares of no par value common.

B.C. May Prevent Rise In Mortgage Loan Rate

From Our Own Correspondent

VANCOUVER. — Re-enactment of the war-time moratorium law of 1915 in British Columbia providing for a postponement of principal and interest payments on mortgages is now likely to supplant the more restricted programme originally proposed in the provincial legislature.

In effect the legislation advocated gives the courts absolute power to postpone the payments of principal sums, to postpone payment of interest for any specified time, according to the mortgagee's ability to pay, and to order the continuance of maturing mortgages at existing interest rates.

SASK. LOANS CASH TO WHEAT POOL

Enables Settlement to Be Made For Amounts Due on 1928 Crop

From Our Own Correspondent

REGINA.—The Saskatchewan Government has introduced a bill in the Legislature to authorize a loan of $250,000 to the Saskatchewan Wheat Pool, to enable final settlement to be made with members with respect to the 1928 crop. This amount represents payments which it is desired to make to members who delivered grain in 1928, but who for one reason or another did not deliver grain in 1929. Those who had pool grain in the latter year received more for their grain than was ultimately realized by the pool, and consequently any money still coming to them in respect to 1928 grain has been offset against the amounts they were over-paid in 1929.

When the Central Selling Agency made its final settlement on the 1929 crop with the banks and with the provincial governments which had guaranteed its loans, balances in hand with respect to the 1928 crop were withheld, and consequently money to complete settlement with the 1928 members was not made available. The Alberta Pool completed settlement some time ago with its members on funds which it already had in hand. In Saskatchewan, however, it was felt that the nature of the security which the pool had given to the provincial government precluded similar settlement, and that no action could be taken unless the provincial government should provide fresh money by way of a loan.

No great opposition to the bill is expected in the Legislature, as the general view is that the government, when it took security in connection with its guarantees of the 1929 operations of the pool, did not intend to impede final settlement on the 1928 crop. But there is some slight uneasiness for fear that the precedent may be invoked when the affairs of the 1930 pool are wound up. Pool farmers who got paid only at the rate of 50 cents a bushel on their wheat, while others who delivered grain earlier got 60 cents, may be encouraged to believe that compensation should be made to them if final settlement from the Central Selling Agency does not bring their payment up to that level. Such claims might amount in the aggregate to several million dollars, and the argument is possible that the provincial government should be held responsible, in view of the security which it holds on pool resources.

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Contact the » New Buyers

ONE of the results of a higher tariff and exchange is a new crop of industries for Canada. They are springing up here and there at a surprising rate. In some cases they are seen as new plants created for the production of specific merchandise. In other cases they are being grafted on existing Canadian plants, bringing welcome work to the latter.

There is activity, there is buying going on in Canadian industry. There are new buyers to be educated regarding sources of supply. The way to contact these new and active buyers is through Canada's premier industrial paper.

Canadian Machinery and Manufacturing News

153 University Avenue, Toronto, Ontario

Position of Chartered Banks of Canada as of February 29, 1932, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	34,354,013	17,066,827	....	....	130,652,339	387,479,245	59,856,378	2,325,101	839,871	8,716,532	209,015
Nova Scotia	12,072,150	7,971,014	....	4,071,243	27,806,991	128,133,328	32,208,823	2,506,268	48,274	2,012,758	45,008
Toronto	6,123,969	1,298,465	....	561,950	22,157,887	63,895,659	....	243,932	164,818	1,189,433	....
Provinciale	3,570,298	3,070,069	....	1,018,061	4,459,596	32,956,515	....	381	....	25,437	....
Commerce	24,569,988	18,462,710	5,000,000	24,671	110,196,378	282,042,728	42,602,429	1,403,217	733,042	11,639,845	34,580
Royal	30,371,686	15,777,480	25,000,000	3,676,700	129,432,604	275,195,426	168,199,876	973,936	433,736	24,268,897	2,279,930
Dominion	6,183,060	4,882,646	500,000	6,527,638	24,012,356	64,615,081	1,656,682	499,246	78,181	953,609	....
Nationale	8,799,329	4,756,817	5,000,000	529,115	20,797,004	83,595,222	1,293,994	610,973	37,409	412,479	....
Imperial	7,991,495	6,311,084	....	1,094,624	26,234,209	71,554,101	....	1,121,514	275,997	1,477,233	....
Barclays (Canada)	256,005	166,940	....	2,551,310	737,932	608,058	....	150,906	2,175,905	1,325,933	....
Total	134,291,993	79,764,052	35,500,000	20,055,312	496,487,296	1,390,075,363	305,818,182	9,835,474	4,787,233	52,022,156	2,568,542

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% Last dividend	Loans to Directors and firms of which they are partners*	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	7,393,734	1,752,449	1,088,325	38,000,000	36,000,000	729,805,089	50,000,000	36,000,000	12	3,180,121	26,200,181	51,879,084	34,596,489
Nova Scotia	4,513,319	181,560	4,040	24,000,000	12,000,000	254,065,488	15,000,000	12,000,000	16	2,707,541	9,240,051	9,582,222	12,231,877
Toronto	895,332	136,761	181,138	9,000,000	6,000,000	112,305,459	10,000,000	6,000,000	12	1,413,254	374,807	5,480,710	6,130,149
Provinciale	19,287	49,045	94,915	1,500,000	4,000,000	49,770,219	5,000,000	4,000,000	9	673,663	261,099	389,564	3,619,963
Commerce	12,063,865	....	902,672	30,000,000	30,000,000	573,328,170	50,000,000	30,000,000	12	6,600,036	13,381,000	21,812,000	24,892,838
Royal	22,732,961	322,181	1,060,774	35,000,000	35,000,000	772,577,132	50,000,000	35,000,000	12	3,700,818	12,482,252	10,407,447	30,687,198
Dominion	1,284,223	324,951	1,473	9,000,000	7,000,000	121,520,629	10,000,000	7,000,000	12	1,769,917	1,019,000	4,170,000	6,312,638
Nationale	220,647	....	177,635	7,000,000	7,000,000	140,795,137	10,000,000	7,000,000	10	657,780	916,010	1,506,232	8,799,329
Imperial	394,937	....	5,051	8,000,000	7,000,000	132,916,935	10,000,000	7,000,000	12	227,077	481,120	3,403,246	8,060,720
Barclays (Canada)	213,863	....	....	500,000	500,000	6,635,544	500,000	500,000	......	....	12,190	100,246	261,010
Total	49,732,168	2,766,947	3,516,033	162,000,000	144,500,000	2,893,720,802	210,500,000	144,500,000	......	20,930,207	64,367,710	108,730,751	135,592,211

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	24,860,403	54,151,579	3,008,480	272,624	18,522,237	5,188	2,009,528	13,565,277	154,664,107	48,480,829	10,944,541	6,596,156	26,394,795
Nova Scotia	9,208,986	9,938,394	976,730	1,433,947	6,560,015	....	753,521	4,518,050	35,426,492	16,845,027	9,310,098	13,094,600	5,965,805
Toronto	379,387	5,017,649	589,160	24,042	4,419,884	....	77,194	982,294	24,709,504	7,021,901	2,457,813	5,473,177	....
Provinciale	260,784	328,503	525,480	18,440	1,559,299	1,010,439	4,158	117,362	8,036,051	5,351,915	3,666,126	6,200,836	....
Commerce†	13,081,231	21,894,285	2,126,395	1,300,449	16,253,361	115,698	498,133	13,308,927	92,164,783	21,592,476	15,486,852	32,839,281	25,166,614
Royal‡	12,366,167	23,951,624	2,928,171	10,050,465	21,182,176	1,900	1,577,351	35,294,255	78,182,565	24,765,141	12,632,826	35,868,789	39,489,262
Dominion	1,014,891	3,432,820	836,640	39,113	3,473,629	....	177,399	1,164,079	19,674,692	4,474,058	2,713,667	12,427,064	1,438,017
Nationale§	924,271	1,481,750	902,585	53,007	3,644,987	360,529	34,149	545,347	23,705,852	7,492,420	3,561,496	9,394,942	....
Imperial	484,569	3,540,453	809,130	21,735	5,144,624	603,190	596,778	1,864,353	22,974,693	6,588,074	181,299	7,751,288	500,000
Barclays (Canada)	13,264	76,914	10,975	174	273,163	975,807	2,161,155	111,115	491,374	123,438	30,850	121,600	....
Total	62,593,953	123,813,981	12,713,746	13,213,996	81,033,375	3,072,751	7,889,366	71,471,059	460,030,113	142,735,279	60,985,568	129,767,733	98,954,493

NAME OF BANK	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	251,100,454	21,327,675	17,343,528	46,119,790	3,040,912	417,530	1,335,236	14,500,000	7,393,734	1,692,109	5,000,000	414,394	79,984	733,241,100
Nova Scotia	92,621,079	15,058,828	2,230,775	13,404,475	646,148	....	113,443	8,366,027	4,513,319	566,102	1,000,000	2,695,776	107,797	255,355,444
Toronto	50,338,321	....	429,346	5,446,945	237,675	....	68,842	3,823,903	895,332	297,673	630,866	....	....	113,320,915
Provinciale	17,796,891	....	....	1,700,766	151,028	439,075	496,577	2,194,446	19,287	198,500	....	....	206,663	50,282,684
Commerce†	196,867,214	23,648,513	18,773,365	34,526,093	2,443,917	2,356,090	2,035,494	15,324,938	12,063,865	1,250,000	8,000,000	3,911,617	298,642	577,328,243
Royal‡	273,479,231	129,378,313	6,140,309	13,866,115	3,194,593	2,249,586	937,472	17,440,996	22,732,961	1,700,000	2,500,000	5,448,599	422,069	777,780,960
Dominion	57,151,058	1,160,078	....	4,292,005	498,256	59,035	16,489	6,030,399	1,284,223	330,000	500,000	....	273,511	122,461,134
Nationale§	60,968,424	81,521	8,516,061	9,909,461	256,110	975,016	752,610	5,990,125	220,647	355,283	1,500,000	....	96,876	141,723,479
Imperial	61,069,517	....	2,804,201	10,026,049	367,098	153,852	506,432	6,317,713	394,937	421,095	950,866	....	172,213	134,244,170
Barclays (Canada)	2,002,709	....	....	....	28,140	....	....	....	213,863	11,424	....	....	....	6,645,971
Total	1,063,394,898	190,654,928	56,237,585	139,291,699	10,863,877	6,650,184	6,262,595	79,988,547	49,732,168	6,822,186	20,081,732	12,470,386	1,657,755	2,912,384,050

Column No. 26. Of this deposit $10,681,732 is in gold coin; the balance is in Dominion notes.
*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.
†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.
§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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FRONTENAC OIL SHARE EARNINGS GAIN IN 1931-32

Advance Statement Provides Summary of Report on Finances

HAVE HIGH SALES

Sell 64,000,000 Gallons Yearly, Making 90 Per Cent of Gasoline Sold

MONTREAL.—Per share earnings on the common stock of McColl Frontenac Oil Co. in 1931, after the payment of all senior charges, totalled $1.81. This compares with $1.43 a share in the preceding fiscal year and is the largest amount reported by the company since its inception in 1926.

In a preliminary statement, details of which follow, John Irwin, president of the company, stated that the company concluded its fiscal year on January 31, last, with larger earnings and an improved financial position, including an improvement in net working capital and cash on hand. He said:

"Net operating profit of McColl-Frontenac Oil Co., for the fiscal year ended January 31, 1932, amounted to $3,370,186. After reserves for depreciation, bond interest, preferred stock dividends, and income tax, there remained $907,958, equal to $1.81 per share on common stock outstanding. This compared with $1.43 per share on the common stock outstanding for the fiscal year ended January 31.

Working Capital Strong

"No new financing was done during the period, all capital expenditures being financed out of earnings. Net working capital amounted to $4,553,205, an increase of $348,977 over the previous year, with a ratio of current assets to current liabilities of five to one. Cash on hand and Dominion Government bonds amount to $766,728, compared with $244,779 on January 31, 1931. The company has no bank loans.

"Gasoline sales increased during the year approximately 17 per cent and there was a considerable increase in sales of products other than gasoline. Increased earnings are due to these increased sales and to economies effected in methods of refining and transportation; these economies reflecting benefits derived from capital expenditures made during the previous year."

Profit 1.72c Per Gallon

According to the evidence before the Parliamentary committee, enquiring at Ottawa into gasoline prices in Canada, of John Irwin and L. A. Brooks, comptrollers, McColl-Frontenac manufactures all its gasoline in refineries at Montreal and Toronto from crude oil brought from Oklahoma and Texas by boats held on long time charters. It sells about 64,000,000 gallons a year or about 10 per cent of the total sold in Canada. Of this total more than 7,000,000 gallons were bought from Imperial Oil for sale in Western Canada.

In 1931 the company sold 57,873,452 gallons of gasoline refined in its own refineries for $9,541,029. The company sold both to its own stations and to independent dealers. Freight and trucking to the refinery amounted to $709,125 while municipal and business and school taxes amounted to $103,045. Sales tax took $166,464, the marketing expense, including advertising, was $1,343,355 or about 2.32 cents a gallon cost to the company on sales. General administration and depreciation took $997,321. This makes a total of $3,319,310 to deduct from the $9,541,029 which gives a net figure of $6,221,719 to the refinery. From that net amount has been taken the price of crude oil and other materials amounting to $4,102,277. From this is taken an inventory adjustment of $14,843 a further figure of depreciation on refinery assets of $149,470 actual manufacturing expenses or the cost of refining the crude oil and producing gasoline of $931,754 and taxes on the refinery profit of $55,365, a total manufacturing cost of $5,224,024. This leaves net earnings from gasoline refined by the company before providing for income tax or for interest on borrowed money of $997,695 or 1.72 cents per imperial gallon.

The company's refineries in Montreal and Toronto supply all the Eastern Canada demand, but in Western Canada the company buys gasoline from the Imperial Oil Co. The company sold 7,220,876 gallons of gasoline not manufactured by it and received for this a gross revenue of $1,482,086. After deductions for freight, trucking, taxes, marketing expenses and general administration and depreciation expenses, amounting to $402,982, there was a net of $1,079,104. The total cost was $1,059,899 and the net earnings before interest on bonds and income taxes were $19,205 or .27 cents per gallon. It cost the company more than 5½ cents per gallon to sell the gasoline bought from the Imperial Oil Co. or, to be exact, 5.58 cents.

The company's Montreal plant has a capacity of 5,000 barrels a day and employs 150.

Mr. Brooks was questioned closely as to why prices changed simultaneously with those of Imperial Oil's. He replied that they could not sell over or under Imperial Oil as they were the big people at the business. It was the custom to follow the biggest oil company in the field.

Sold Securities for $27,000,000

With reference to the capitalization of the company, the witness stated that there are 500,000 shares outstanding of which 379,515 shares were sold for cash realizing $6,739,343 or an average of $17.75 per share. With the new company there was offered to the public $7,500,000 of preferred stock with a bonus of four shares of common stock with each ten shares of preferred. The bonus was offered to the public not by the company, but by the brokers who underwrote the issue. The present company, McColl-Frontenac Oil Co., is an amalgamation of the McColl and the Frontenac Oil companies which are still in existence. At the time of the amalgamation the outstanding stock of McColl Bros., 150,000 shares, was bought by the McColl-Frontenac direct from McColl Bros. at $65 a share at a total cost of $9,750,000.

Mr. Irwin testified that McColl-Frontenac was formed with $7,500,000 of 6 per cent preferred stock and 750,000 shares of common stock and it was intended to issue 500,000 shares of the common stock and retain 250,000 in the treasury. The common stock sold by the financial agents netted $17.75 a share. The 500,000 shares were sold for $8,890,000 and from the proceeds of preferred and common stock the company purchased McColl Bros., paying $9,780,000. An item of goodwill for $7,000,000 as shown in the balance sheet was represented in part by $6,000,000 which was the difference between $25 a share of stock put on

(Continued on page 15)

Table Shows Federal Tax Payers How to Compute Income Tax for 1931

Incomes of all married men receiving over $2,400 per annum and single men earning over $1,200, are taxable according to new federal legislation introduced at Ottawa last week. Previous exemptions were $3,000 and $1,500. The rate of taxation remains unchanged but a reduction of 20 per cent from gross income formerly allowed has been withdrawn. Also on all incomes of $5,000 or over a surtax of five per cent is now collected. These provisions apply of course to 1931 incomes, returns being required by April 30 of this year.

To arrive at the amount of tax payable, one must first compute net taxable income (total income less deductions, exemptions, etc.) whereupon the tax payable is simply two per cent on the first $2,000 of such taxable income; plus three per cent on all income in excess of $2,000 and not in excess of $3,000; plus four per cent on income in excess of $3,000 but not in excess of $4,000, and so on.

If net taxable income is $5,000 or over, a surtax of five per cent must be added to the regular tax.

In other words a taxpayer who, after making all exemptions allowed under the act finds that his net taxable income is $5,500, would be called upon to pay the following amounts:

	Taxable income		Tax payable
2% on the first	$2,000	or	$40
plus 3% on the next	$1,000	“	$30
“ 4% on the next	$1,000	“	$40
“ 5% on the next	$1,000	“	$50
“ 6% on the next	$ 500	“	$30
Total	$5,500		$190.00
Plus 5% surtax			9.50
Total Tax			$199.50

HOW TO COMPUTE AMOUNT OF YOUR FEDERAL INCOME TAX

Net Taxable Income														Surtax of 5%	Tax Payable
Up to $2,000 rate is 2%.								Therefore tax on net taxable income of		$2,000	is	$40		.....	$40.00
$ 2,000	to	$3,000	Take tax on	$2,000	or	$40	Add	3%	of excess, which on	$3,000	is	70		.....	70.00
3,000	“	4,000	“ “ “	3,000	“	70	“	4%	“ “ “ “	4,000	“	110		.....	110.00
4,000	“	5,000	“ “ “	4,000	“	110	“	5%	“ “ “ “	5,000	“	160	+	8.00	168.00
5,000	“	6,000	“ “ “	5,000	“	160	“	6%	“ “ “ “	6,000	“	220	+	11.00	231.00
6,000	“	7,000	“ “ “	6,000	“	220	“	7%	“ “ “ “	7,000	“	290	+	14.50	304.50
7,000	“	8,000	“ “ “	7,000	“	290	“	8%	“ “ “ “	8,000	“	370	+	18.50	388.50
8,000	“	9,000	“ “ “	8,000	“	370	“	9%	“ “ “ “	9,000	“	460	+	23.00	483.00
9,000	“	10,000	“ “ “	9,000	“	460	“	10%	“ “ “ “	10,000	“	560	+	28.00	588.00
10,000	“	11,000	“ “ “	10,000	“	560	“	11%	“ “ “ “	11,000	“	670	+	33.50	703.50
11,000	“	12,000	“ “ “	11,000	“	670	“	12%	“ “ “ “	12,000	“	790	+	39.50	829.50
12,000	“	13,000	“ “ “	12,000	“	790	“	13%	“ “ “ “	13,000	“	920	+	46.00	966.00
13,000	“	14,000	“ “ “	13,000	“	920	“	14%	“ “ “ “	14,000	“	1,060	+	53.00	1,113.00
14,000	“	15,000	“ “ “	14,000	“	1,060	“	15%	“ “ “ “	15,000	“	1,210	+	60.50	1,270.50
15,000	“	16,000	“ “ “	15,000	“	1,210	“	16%	“ “ “ “	16,000	“	1,370	+	68.50	1,438.50
16,000	“	17,000	“ “ “	16,000	“	1,370	“	17%	“ “ “ “	17,000	“	1,540	+	77.00	1,617.00
17,000	“	18,000	“ “ “	17,000	“	1,540	“	18%	“ “ “ “	18,000	“	1,720	+	86.00	1,806.00
18,000	“	19,000	“ “ “	18,000	“	1,720	“	19%	“ “ “ “	19,000	“	1,910	+	95.50	2,005.50
19,000	“	20,000	“ “ “	19,000	“	1,910	“	20%	“ “ “ “	20,000	“	2,110	+	105.50	2,215.50
20,000	“	25,000	“ “ “	20,000	“	2,110	“	21%	“ “ “ “	25,000	“	3,160	+	158.00	3,318.00
25,000	“	30,000	“ “ “	25,000	“	3,160	“	22%	“ “ “ “	30,000	“	4,260	+	213.00	4,473.00
30,000	“	35,000	“ “ “	30,000	“	4,260	“	23%	“ “ “ “	35,000	“	5,410	+	270.50	5,680.50
35,000	“	40,000	“ “ “	35,000	“	5,410	“	24%	“ “ “ “	40,000	“	6,610	+	330.50	6,940.50
40,000	“	45,000	“ “ “	40,000	“	6,610	“	25%	“ “ “ “	45,000	“	7,860	+	393.00	8,253.00
45,000	“	50,000	“ “ “	45,000	“	7,860	“	26%	“ “ “ “	50,000	“	9,160	+	458.00	9,618.00
50,000	“	55,000	“ “ “	50,000	“	9,160	“	27%	“ “ “ “	55,000	“	10,510	+	525.50	11,035.50
55,000	“	60,000	“ “ “	55,000	“	10,510	“	28%	“ “ “ “	60,000	“	11,910	+	595.50	12,505.50
60,000	“	65,000	“ “ “	60,000	“	11,910	“	29%	“ “ “ “	65,000	“	13,360	+	668.00	14,048.00
65,000	“	70,000	“ “ “	65,000	“	13,360	“	30%	“ “ “ “	70,000	“	14,860	+	743.00	15,603.00
70,000	“	75,000	“ “ “	70,000	“	14,860	“	31%	“ “ “ “	75,000	“	16,410	+	820.50	17,230.50
75,000	“	80,000	“ “ “	75,000	“	16,410	“	32%	“ “ “ “	80,000	“	18,010	+	900.50	18,910.50
80,000	“	85,000	“ “ “	80,000	“	18,010	“	33%	“ “ “ “	85,000	“	19,660	+	983.00	20,643.00
85,000	“	90,000	“ “ “	85,000	“	19,660	“	34%	“ “ “ “	90,000	“	21,360	+	1,068.00	22,428.00
90,000	“	95,000	“ “ “	90,000	“	21,360	“	35%	“ “ “ “	95,000	“	23,110	+	1,155.50	24,265.50
95,000	“	100,000	“ “ “	95,000	“	23,110	“	36%	“ “ “ “	100,000	“	24,910	+	1,245.50	26,155.50
100,000	“	110,000	“ “ “	100,000	“	24,910	“	37%	“ “ “ “	110,000	“	28,610	+	1,430.50	30,040.50
110,000	“	120,000	“ “ “	110,000	“	28,610	“	38%	“ “ “ “	120,000	“	32,410	+	1,620.50	34,030.50
120,000	“	130,000	“ “ “	120,000	“	32,410	“	39%	“ “ “ “	130,000	“	36,310	+	1,815.50	38,125.50
130,000	“	140,000	“ “ “	130,000	“	36,310	“	40%	“ “ “ “	140,000	“	40,310	+	2,015.50	42,325.50
140,000	“	150,000	“ “ “	140,000	“	40,310	“	41%	“ “ “ “	150,000	“	44,410	+	2,220.50	46,630.50
150,000	“	175,000	“ “ “	150,000	“	44,410	“	42%	“ “ “ “	175,000	“	54,910	+	2,745.50	57,655.50
175,000	“	200,000	“ “ “	175,000	“	54,910	“	43%	“ “ “ “	200,000	“	65,660	+	3,233.00	68,893.00
200,000	“	250,000	“ “ “	200,000	“	65,660	“	44%	“ “ “ “	250,000	“	87,660	+	4,383.00	92,043.00
250,000	“	300,000	“ “ “	250,000	“	87,660	“	45%	“ “ “ “	300,000	“	110,160	+	5,508.00	115,668.00
300,000	“	350,000	“ “ “	300,000	“	110,160	“	46%	“ “ “ “	350,000	“	133,160	+	6,658.00	139,818.00
350,000	“	400,000	“ “ “	350,000	“	133,160	“	47%	“ “ “ “	400,000	“	156,660	+	7,833.00	164,493.00
400,000	“	450,000	“ “ “	400,000	“	156,660	“	48%	“ “ “ “	450,000	“	180,660	+	9,033.00	189,693.00
450,000	“	500,000	“ “ “	450,000	“	180,660	“	49%	“ “ “ “	500,000	“	205,160	+	10,258.00	215,418.00

Chemical Research Corp. Has Not Made Show-Down

Latest Financial Statement Conceals Rather Than Reveals Actual Situation—No Definite Figures Are Given About Gyro Process Co. Which Carries Real Hope of Shareholders

Some little while ago I noticed an article in your columns suggesting a "protective committee" for all shareholders in Chemical Research and just wondered how far the thing got. I imagine you feel just like most of the shareholders, sick and tired of getting no information that leads one to understand the situation clearly. I attended the annual meeting in Detroit, but got no satisfaction. The directors seem to want to give as little information as possible, neither have I seen any annual report this last year.

They declared a dividend of 10 cents and I think most of the shareholders thought it was going to be 10c quarterly, but just like everything else that these directors do, they never state fully what their intentions are. My stock cost me over $25 a share, and I notice that it always goes down. Occasionally there must have been a pool in it, and they put it up a few dollars, but it always sinks to a new low.

There are many rumors about this company. One is that all the latest patents which are supposed to be the best, while they were financed out of the royalties coming to Chemical, yet the directors have had one of their subsidiaries pretend that they own them. Can this be legally done? And if this is the true situation, what can the shareholders do about it?

I am told that owing to the company being a "Delaware" company, it enables the directors to get away with lots of things that wouldn't be recognized here, but yet the stock is only sold on the Standard Stock and Mining Exchange, Toronto. Would it be possible to get a list of all the Canadian shareholders and find out if they are satisfied and try and force the directors to tell the shareholders frankly what is the matter with the stock? They must be earning royalties right along, but no report of earnings have been published in this last 14 months.

There are too many companies today listed on the Standard Stock Exchange getting away with things like this and it is only in such papers as your own that we can get our case put before the public generally.

The Financial Post, shortly after receiving your letter, obtained the printed copy of the annual report of Chemical Research Corp., and finds itself no wiser than before. You, who attended the annual meeting, seem to have gained just as little. There is no revenue account in the annual report and the balance sheet gives no additional information of value with regard to the actual position and prospects of the company. It differs from a previous balance sheet, which was unaudited, in that there is a note signed by Amick & Spicer, as follows:

"We hereby certify that, in our opinion, this balance sheet correctly exhibits the financial condition of Chemical Research Corp. as of December 31, 1931."

Something More Needed

The address of Amick & Spicer, the date of the certificate signed by them, the usual information as to what, if anything, they audited, and a statement as to whether or not this is a firm of chartered accountants, are all lacking. While Amick & Spicer state that this balance sheet "correctly exhibits" the financial condition of the company, it is doubtful if one shareholder not in the inner councils of the directors or principals can tell from it whether his investment is a good or bad one. The balance sheet "effectively conceals" the actual position of the company.

Pure Oil Holds Back

The chief item in total assets of $7,401,952 is $7,216,533 covering 750 shares of Gyro Process Co., owned by Chemical Research Corp., as its 75 per cent of the 1,000 shares of stock of that company, Pure Oil having the other 25 per cent and having an option on 15 per cent more. Statements some time ago, indicating that Pure Oil Co. had exercised this option, now turn out to be unreliable and one gathers that Pure Oil Co. does not yet consider it worth while to exercise its option.

Directors Do Appraising

A note with reference to this holding states that the value of $7,216,533, or more than $9 a share given to this Gyro Process Co. stock "is based upon an appraisal by the board of directors," but it is not stated on what the appraisal is based. Yet the real interest of every shareholder lies in getting a clear financial statement of that company because it does all the licensing and gets all the revenue and pays out without any control of the shareholders just as those in control may think proper.

The remaining assets of Chemical Research Corp. are of little value. Total deferred assets of $158,150 include $2,150 for corporation expense and $156,000 for experimentation and development, most of which is just water that has gone by the mill. The only definite assets among the seven millions shown in the balance sheet are $22,230 cash and $5,040 for accounts receivable, or $27,269 for all current assets.

Current liabilities total, however, $35,511 including $35,401 for accounts payable and $110 for dividends payable. There is, however, an amount of $150,476 for funded contract payable, and capital surplus represents $7,215,966, or just a little less than the appraised amount for Gyro Process Co. stock.

Get One New Licensee

The letter signed by F. F. Beall, president, to the shareholders under date of March 31, 1932, does not add greatly to information of shareholders except that he says that over-production of oil and gasoline price wars have not been "favorable to the securing of new licensees for the Gyro process, inasmuch as this calls for installation of new machinery and equipment," most producers not caring to make capital expenditures at this time. Only one company, Anglo-Mexican Petroleum Co., was signed up during the year but, Mr. Beall states, "important negotiations are under way for the use of his process." He says as well that licensees who had already installed the process have been working steadily and the "product itself has been growing in favor."

Aside from the usual hopeful forecasts the only other definite reference to business during the year was as follows:

"The licensing company, the Gyro Process Co., has out of its income been able to clear up and adjust the obligations it had necessarily assumed in the further development of the process, and was able to declare its first dividend in December, 1931, of which your corporation received its 75 per cent share. This enabled this company to pay its first dividend to its stockholders of 10 cents a share, and also to liquidate 10 per cent of its outstanding certificates of indebtedness originally totalling $204,000. It is hoped that the income will enable us to continue dividends and they will be paid as and when earned."

Real Information Wanted

In view of the floods of misinformation which induced a number of people some years ago to buy stock of this company, it is regrettable that the old policy is continuing of a paucity of official information about things that really matter.

Until there is real information as to the gross income of Gyro Process Company, showing what production it had been drawn from for some years back, and also giving in much greater detail than has ever been given the things for which that income had been expended, the mere fact that a dividend of ten cents a share has been paid will mean little. You speak of the royalties coming to Chemical Research, but the royalties have always been collected by Gyro Process Co., and Chemical Research would only get money when a dividend is paid by Gyro Process Co. Chemical Research owns 75 per cent of the stock and Pure Oil the other 25 per cent so that 25 per cent of net earnings of Gyro Process Co. would not be available for the stock of Chemical Research Corp.

Earnings Estimates Vary

It is difficult to estimate what earnings of the company may be. Gyro Process Co., according to an official statement, declared no dividends in 1930 though the gross income was stated by the president to be between $500 and $600 a day. It is on the earnings of that company that your investment stands or falls ultimately. At another time Mr. Beall was reported as stating that the company would earn between $2 and $3 a share daily in 1930 and that it had earned $200,000 in 1929. Five hundred dollars a day earned by Gyro Process Co. would only be $182,500 and the amount of this applicable to Chemical Research would be about $110,000 whereas there were outstanding 720,000 no par value common shares. In other words, that amount would be about one-twelfth of the $2 or $3 expected. It was stated also that on July 1, 1930, 30,000 barrels a day was the production on which royalties were being received. $500 and $600 a day would only be 5 or 6 cents a barrel on about 10,000 barrels on the average. Mr. Beall stated that the cost was about $1,000 monthly which would leave nearly $100,000 net if it had not been that the most of this had been spent on engineering developments and the securing of patents covering every item of the process. That would indicate almost no net income available for the stock.

Royalties Lower Than Thought

When the stock was unloaded it was stated that the standard rate of royalty was at 35 cents and again at 25 cents. This latter figure, it is probable, only refers to small production and there may be a sliding scale so that refineries with large production pay a lower royalty, perhaps from 5 to 7 cents a barrel.

Most of the official statements with reference to the Gyro Process for cracking crude petroleum were optimistic. At one time officials of the company expressed the expectation that they would have ten per cent of the total business of the United States or about 100,000 barrels daily, but 30,000 barrels a day with a 25-cents a barrel royalty, if it could be depended upon, should be enough to put the company over. Evidently the company is only getting a fraction of that production or of that royalty.

Show-Down Desired

The difficulties of the company were indicated in a statement by the president, F. S. Beall, and the secretary, at the end of 1930 when it was stated that in vapor phase cracking the yields of gasoline were somewhat lower though the gasoline obtained was higher in value. As this was due to the amount of fixed gas produced the company worked on a process to polymerize the fixed gas so that a large percentage was turned back into liquid and also to vaporize the heavy residue to either heavy pitch or coke which produced more vapor for the converters. They also conducted investigations to find out a method so that wherever the territory was suitable the fixed gas could be sold to advantage for industrial or domestic purposes. When that could not be done the polymerization process would have to be undertaken. As, he stated, all these problems were successfully solved the company hoped in 1931 and 1932 to license the process more widely than ever expected before. The annual report at least makes clear that these high expectations at the beginning of the year were not realized.

Shareholders, fed on hope from the outset of the company, now desire a show-down.

G. B. & C. CORP. SHAREHOLDERS APPROVE PLAN

Preferred Stock Par Cut from $100 to $50 Per Share

From Our Own Correspondent

MONTREAL.—Shareholders of Great Britain and Canada Investment Corp. have ratified a proposal to reduce the capital of the company from $5,000,000 to to $3,000,000. Par value of the cumulative convertible preferred shares will be reduced from $100 to $50 a share thus reducing the total preferred capital from $4,000,000 to $2,000,000. The balance of $1,000,000 will be represented by 350,000 shares of no par value.

Shareholders also approved an amendment to conditions attaching to the preferred shares as a result of the reduction of the par value. A new by-law provides that in the event of the winding up or dissolution of the company the holders of the preferred shares will receive $105 for each share held, plus all cumulative dividends.

The present dividend of 5 per cent will be changed to $5 a share; disbursements, however, have been deferred. Holders of the preferred stock will have the right to convert at any time on the basis of two shares of common for each share of preferred.

Crown Dominion Oil Increases Surplus

Crown-Dominion Oil Co. added $10,657 to capital surplus account during 1931 after provision for operating expenses, depreciation, interest and reserve for bad debts, according to the annual report of H. K. Woods, president and general manager, given at the annual meeting held on April 6, in Hamilton. Capital surplus account now stands at $483,019 or $6.25 on each of the 77,284 issued shares.

Sales volume of products which the company has relied upon for some years to produce a considerable share of total revenue was affected by general conditions during 1931. To offset this decline in volume the company has instituted operating economies and a different programme. Operations so far this year are stated to have been most encouraging. Directors of the company are H. K. Wood, president and general manager, L. T. Wood, vice-president; J. T. Leckenby, R. S. Inch, Hamilton; J. S. Dowling, T. L. Wood, Brantford; R. H. Pringle, A. P. Stewart and R. L. Saundy, Toronto.

U.S. WHEAT OUTPUT TO SHOW DECLINE 325,000,000 BUS.

But Stock Market Weakness Holds Back Stronger Prices

From Our Own Correspondent

WINNIPEG. — Stock market weakness was the cause of highly erratic behavior on the part of wheat prices, largely influenced from Chicago toward the close of last week. This was followed by strength when the United States forecast of a winter wheat yield of only 458,000,000 bushels was made, almost 50,000,000 bushels less than the most pessimistic of the private estimates previously published.

It indicates a winter wheat production 325,000,000 bushels less than that of last year, and while some of this will probably be offset by increase in spring wheat yields, it points to a production on the part of the United States in 1932 which could be entirely consumed in that country within a single year and leave no surplus for export, except that included in the carry-over.

Critical Period Reached

WINNIPEG.—With the coming of April the wheat market entered a highly critical period, a period in which is to be determined whether or not the hopes which have been sustained during the past three months for an improvement in the country's wheat trade are to materialize. Deferred as those hopes have been through many weeks, they have yet continued to be held, and are still held strongly, but they must materialize within the next few weeks or they will be considered to have been illusory. The extent of trade is really more important than price, but failure of our export trade to expand above recent levels would through disappointment create the danger of price decline, for hope of improvement has to some extent been discounted in the present price level. On the other hand a substantial advance in export volume might mean price advance for such hopes have not been fully discounted.

During several months there has been a steady accumulation of factors in the world wheat trade which seemed to justify the expectation of improvement in the Canadian wheat situation, but such expectations have yet to be realized in the only way that can be of real significance, in increased shipments of wheat and flour to export markets. For the first eight months of current crop year such exports have been only slightly above 140,000,000 bushels. Continuation on the same basis would mean total exports for the year not much above 200,000,000 bushels, or not enough to make any very substantial reduction in the carry over from last year's total. Even worse, the fairly good export trade that was experienced in October, November and December, was followed by three months in which average monthly exports fell below 12,000,000. It has been hard to keep up confidence in the face of such figures, but a good deal of confidence has nevertheless remained.

European Reserves Run Low

The greatest bullish factor has been establishment of the fact that European reserves of bread grains are running low. Since 1929 the fact that large interior supplies of grain were carried forward on the Continent has been one of the major depressing factors in the world wheat market, and these supplies, of which no accurate count was available have been possibly as significant as the visible surpluses in plain sight in the United States and in Canada. Italy and France by large and progressive increases in the milling quotas of foreign wheat allowed have demonstrated that their local supplies are urgently in need of reinforcement. France is now allowing 45 per cent of foreign wheat as against three per cent only a few months ago. Germany indicates almost a distress position by raising the requirement for extraction of flour from rye. This is of great importance for excessive supplies of rye were up to this crop year a depressing factor of importance. Greece has indicated her need of food stuffs by an emergency arrangement for the admission of Danubian maize. Reports from Spain indicate probable necessity of imports there.

Then British statistics show that total wheat consumption for this year is likely to be twenty million bushels above recent averages.

Stocks of Wheat Lower

Actual stocks of wheat in store, both in Canada and in the United States are due to take a sharp drop in the next few weeks, due to withdrawal of wheat for seed. Owing to the unusual extent of crop failure last year, both in western Canada and in the northwestern states, commercial stocks of grain will be drawn on to an unusual extent to supply seed that normally would have been available on the farms where required. This may reduce commercial stocks of wheat on this continent by nearly ten million bushels within a few weeks, and a good deal of this will mean the lifting of hedges in future markets.

Russian reports have continued to emphasize the shortage of seed grain over large areas in that country, important not only as indicating the probability that Russian wheat exports for the remainder of the crop year will be small, but also that rye and barley shipments may be restricted. Such extensive shortage as is reported is likely to interfere with the success of the spring sowing campaign.

Competition from Argentine

In the first few months of the current year Russian exports cut down the volume of Canadian shipments. During the past three months Argentine shipments have been the chief obstacle to a larger Canadian trade. There has been a relaxing of pressure there, both in volume and in eagerness to sell, which is believed to be a reflection of the changing European outlook. Continued heavy shipments from Australia to the Orient seem to indicate that the Australian crop may not be an important factor in the European market for the remainder of the season.

Up to the close of last week most reports had insisted that the European crop had come through the winter in good shape, but possibility of extensive damage is now hinted at.

In view of these various conditions adverse market effect of the recent blundering announcements by, on behalf of and in connection with the United States Farm Board are to some extent wearing off.

Crop reports will be important from now, but of greatest importance will be actual world shipments and especially those from this continent, which must soon demonstrate whether or not the hoped for European business is to develop.

Farm Loans in Ontario By Government's Board Increased by $7,900,000

Joins Hayhurst Co.

E. STERLING DEAN

Who has joined the F. H. Hayhurst Co., Ltd., advertising agency, Toronto, was a former president of the Canadian Association of Advertising Agencies, and for 20 years headed an advertising agency bearing his own name.

Substantial Interest Arrears Are Reported For Last Two Years

LOANS AT 5½ P.C.

Borrowed From Provincial Treasurer at 4½% Who Used Savings Bank Deposits

In ten years of operation ending Oct. 31, 1931, the Agricultural Development Board of Ontario loaned $43,088,000 on 11,207 applications, or an average of $3,847 to each farm. There remained outstanding $36,427,529 after repayments in period. The loans varied in individual cases from $500 to $12,000, and the sums were loaned in all sections of the province on farms producing all kinds of crops and live stock.

The farmers have been charged 5½ per cent as compared with 6 per cent the Provincial Government was compelled to pay recently in selling a bond issue, but this has been made possible by the fact that the Provincial Treasurer has loaned at 4½ per cent on the Board's debentures moneys obtained in great part from deposits in the Provincial Savings bank on which 3 per cent has been paid to depositors.

Farmers Get Best Rates

Farmers in Ontario were therefore in the unique position of being able to borrow in 1931 at a cheaper rate than the Province itself could a few months later. The demands for loans filled in the last two years have been on an advancing scale, $7,000,000 being loaned on 1,887 farms in 1930 and $7,900,000 on 2,329 farms in 1931, the size of the individual loans evidently showing no diminution of consequence even though market value of farms has in the interval considerably diminished. In each year total of loans outstanding increased by 20 per cent.

In order to make the total loans shown the board got money by issuing to the provincial treasurer debentures totalling $42,888,000, of which $6,488,000 have been paid back, leaving $36,400,000 outstanding at the end of the ten-year period. The report to Hon. T. L. Kennedy, minister of agriculture, states that all payments of interest on these debentures have been met as due.

"Operating on a margin of one per cent, with other incidental revenues, the Board has paid back the entire cost of operation since its inception and hence it is clear that up to the present the Board has not cost the provincial treasury a single dollar. Not only is this true, but there is shown in addition, an operating surplus for the period of $648,962. At the same time it may be claimed that a very substantial service has been rendered the farming industry. The interest rate of 5½ per cent is as low as is to be found anywhere and is one to four per cent less than is otherwise charged throughout the provinces. Yet it is as high as prevailing farm revenues could be expected to meet. The interest rate and the availability of money for farm purposes have both been points of advantage."

Arrears Are Substantial

In another part of the report it is stated that arrears for the years 1930 and 1931 are very substantial. This is made evident in any case by the balance sheet where loans secured by mortgage are shown at $35,450,646 and interest accrued to date at $2,151,946 whereas the liability to the Provincial Treasurer on debentures is shown at $36,400,000 with accrued interest at $1,072,967. In other words, the accrued interest due from farmers is more than twice the interest due by the Board which pays when due. Evidently the interest due from farmers includes a substantial amount that is overdue. It exceeds the full year's interest earnings of $1,781,799 shown in the revenue account by $370,149 and there may be several hundred thousand dollars more than the latter amount overdue. If the total revenue includes interest earned rather than actual interest received, part or all of the net income of $128,796 shown for the year may later have to be written off for losses. Total surplus earnings are now shown at $648,962, much too little if one judges by experience of private companies over many decades.

Many Payments Overdue

Principal amount of debentures on which the board borrowed from the province exceeds total amount of principal on loans to farmers by about $949,000. The board therefore has a margin with which to meet expenses while collecting interest past due. In the preceding year the board indicated that half the interest payments had been met promptly when due. Evidently consideration was extended to the other half in the hope that they would pay up as soon as possible. The present report states that the board has been able to reduce arrears outstanding more than two years to less than 15 per cent of the total. But it is in the last two years of the most trying conditions farmers have had to face in the century that arrears have been most substantial. No data is given for actual amount of arrears of this kind nor is there any statement as to amount of arrears cancelled by issue of new mortgages for higher amount.

During the year 83 farms were sold and 50 are on hand for sale, many being in New Ontario. Practically all are operated on a rental basis and very few remain idle, says the report. The revenue and expenses in connection with these sales and rentals are not shown. Inevitable farm losses were, however, shown at $50,144 and taxes paid to hold properties shown at $25,906. The last two items were deducted before showing $128,796 as operating surplus for the year.

Collections, the report states, under present conditions are bound to be difficult because last season

(Continued on page 15)

LIQUID POSITION SERVICE STATIONS REMAINS STRONG

Drew on Surplus to Pay Dividends in 1931; Investments Written Down

Service Stations Ltd. earned $333,475 from operations in 1931 as compared with $1,555,312 in 1930. After reduced provision for depreciation and income tax it used $759,402 from surplus account to meet dividend payments and provide for depreciation of securities to market value. The company ended the year with a strong cash position and, while working capital was lower than in 1930, the ratio of current assets to current liabilities was up to 11.2 to 1 from 9.63 to 1.

Sales volume was materially lower than in 1930 but the decrease was not as great as that experienced by the industry as a whole. Manufacturing activities have been further consolidated and products diversified so that the company is less dependent than before on any one line of industry. During the year an interest was purchased in Tennant's Steel Containers, Ltd., in Vancouver, and in Ferolite Engineering Works, Ltd., London, Eng. Through its numerous subsidiaries the company manufactures service station equipment, pumps, tanks, compressors, oil burners, gas water heaters, etc.

Income and surplus account for 1931 and previous years is as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1931 $	1930 $
Net earnings	333,474	1,555,312
Less: Depreciation ..	277,306	367,086
Income taxes	54,662	118,099
Net profit	1,506	1,070,127
Less appropriations:		
Preferred divs.	195,666	102,612
Preferred "A" divs.	89,700	67,275
Class "A" divs. ...	197,727	489,611
Class "B" divs. ...	52,500	130,000
Surplus for year	*534,087	280,629
Add: Prev. surplus .	2,156,395	2,152,338
Sundry recoveries and adj.	....	21,062
Less: Settlement re pat.	45,000	....
Res. to adj. book value of secs. ...	118,569	40,347
Capital assets w/o..	....	100,000
Comm. on issue of pref.	....	80,000
Loss on sale of cap. assets	60,239	72,280
Goodwill & organ. exp. w/o (Bennett Export Corp.) ..	....	5,007
Bal. carried forward .	1,398,500	2,156,395

*Deficit.

Current assets total $4,905,714 and current liabilities, $436,053. Current assets include $1,042,162 in cash and $669,864 in marketable securities at market value. Bills and accounts receivable amount to $1,273,117 and inventories to $1,920,570. Accounts payable include $399,786 in accounts payable and $36,267 in income tax reserve.

Land, buildings, plant and equipment are carried at $3,707,760 after reserve for depreciation of $2,217,724. Premium paid for shares of subsidiary companies remains at $6,078,086 while investment in affiliated companies is up to $851,400 from $750,000. Sundry assets are carried at $167,658; patent rights and licenses at $1. There has been no change in capital stock outstanding which remains at 32,611 shares of 6 per cent cumulative preferred and 14,950 shares of 6 per cent cumulative preferred, series A, both of $100 par value, 188,312 shares of class A common and 50,000 shares of class B common, both of no par value. Deduction is made, however, of 815 shares of 6 per cent preferred and 305 shares preferred, series A, purchased and held by subsidiaries. After this deduction capital is carried at $12,427,557.

Surplus by appraisal of fixed assets is shown at $1,402,378 and earned surplus, including that of subsidiaries, is shown at $1,398,499, a total of $2,800,878. The company now has seven subsidiary manufacturing companies and three affiliated companies as well as a sales and export subsidiary.

Twelve New Plants Start Production in Toronto Area

Twelve new industries have located in the Toronto area during the first three months of this year, according to a report of the Toronto Industrial Commission. These industries are employing 375 people and are occupying 94,500 ft. of floor space.

Parent or affiliated companies of all twelve are United States concerns.

The commission also reports that its engineering department has arranged for three United States companies to have their products manufactured in Toronto plants, whereas their lines were formerly imported into Canada.

NOTICES

EXPORT

Canadian citizen residing in Montreal with over 20 years practical experience of European markets wishes to act as export-manager for Canadian manufacturers and producers desiring to build up export-markets. Commission basis principally. Reply to Box 40, The Financial Post, 1070 Bleury Street, Montreal.

WANTED
CITY GENERAL AGENCY
for non-tariff automobile company, old established brokers.
Box 314
THE FINANCIAL POST,
TORONTO, ONT.

HOW ARE YOUR COLLECTIONS

Do you require an experienced collection and credit man? I am desirous of a change and can give the best of reasons and references. Box 312, The Financial Post, Toronto, Ont.

Nova Scotia Steel & Coal Company, Limited

BONDS

NOTICE IS HEREBY GIVEN that The Eastern Trust Company, under the provisions of the Mortgage dated the first day of July, Nineteen Hundred and Nine, to secure the First Mortgage Sinking Fund Gold Bonds of the Nova Scotia Steel and Coal Company, Limited, will receive offers up to noon on the 22nd day of April, 1932, from persons willing to sell the whole or any part of the bonds of the said Nova Scotia Steel and Coal Company, Limited, purchasable by a Sinking Fund payment of One Hundred and One Thousand One Hundred and Seventy-five Dollars and Twenty Cents ($101,175.20).

Parties offering to state the amount of bonds and price delivered at Halifax. Bonds accepted must be delivered on or before the 29th day of April, A.D. 1932, and accrued interest will cease on that date.

This Company reserves the right to reject any and all offers in whole or in part.

THE EASTERN TRUST COMPANY,
TRUSTEE

184 Hollis Street,
Halifax, N.S.
4th April, 1932.

St. Lawrence Paper Mills Company, Limited

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of the Shareholders of the above Company will be held at the Head Office of this Company, Room 1030, Canada Cement Building, Montreal, on Thursday, April 28th, 1932, at the hour of 11.00 o'clock A.M., for the purpose of receiving and considering the Annual Statement of Accounts and Balance Sheet and the report of the Directors and Auditors thereon; for the election of Directors and Auditors, and also for the transaction of any and all business that may come before the Meeting.

The Company's charter provides that the Shareholders of the 6% Cumulative Preferred Stock are entitled to vote if four or more dividends are in arrears. Such Shareholders, are, therefore, qualified to vote at this meeting.

By Order of the Board,
A. M. CREIGHTON,
Secretary.

St. Lawrence Corporation, Limited

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of the Shareholders of the above Company will be held at the Head Office of this Company, Room 1030, Canada Cement Building, Montreal, on Thursday, April 28th, 1932, at the hour of 12 o'clock noon, for the purpose of receiving and considering the Annual Statement of Accounts and Balance Sheet and the Report of the Directors and Auditors thereon; for the election of Directors and Auditors, and also for the transaction of any and all business that may come before the Meeting.

By Order of the Board,
A. M. CREIGHTON,
Secretary.

Lake St. John Power & Paper Company, Limited

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of the Shareholders of the above Company will be held at the Head Office of this Company, Room 1030, Canada Cement Building, Montreal, on Thursday, April 28th, 1932, at the hour of 11.30 o'clock A.M., for the purpose of receiving and considering the Annual Statement of Accounts and Balance Sheet and the report of the Directors and Auditors thereon; for the election of Directors and Auditors, and also for the transaction of any and all business that may come before the Meeting.

By Order of the Board,
A. M. CREIGHTON,
Secretary.

Brompton Pulp & Paper Company, Limited

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of the Shareholders of the above Company will be held at the Head Office of this Company, Room 1030, Canada Cement Building, Montreal, on Thursday, April 28th, 1932, at the hour of 10.30 o'clock A.M., for the purpose of receiving and considering the Annual Statement of Accounts and Balance Sheet and the report of the Directors and Auditors thereon; for the election of Directors and Auditors, and also for the transaction of any and all business that may come before the Meeting.

By Order of the Board,
A. M. CREIGHTON,
Secretary.

DIVIDEND NOTICES

Borden's

COMMON DIVIDEND No. 89

A quarterly dividend of seventy-five cents (75¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1932, to stockholders of record at the close of business May 14, 1932. Checks will be mailed.

The Borden Company
WM. P. MARSH, *Treasurer.*

DOME MINES EARN $990,825 IN 1931 ORE RESERVES UP

Securities Holdings Reflect Declining Market Values

Annual report of Dome Mines for the year ended December 31, 1931, shows net profits of $990,825 after write-offs of $880,921, or equivalent to earnings of $1.04 per share on the 953,338 shares outstanding. This compares with a net profit of $85,710 in the two months the new mill was in operation in 1930 and with $1,778,251 in 1929.

The value of the bullion production was $3,486,506 or a recovery of $6.43 per ton of ore treated, as compared with $3,915,051 or a recovery of $7.58 per ton in 1928, the last full year the old mill was in operation.

Write-offs were much heavier in 1931 than in former years, reflecting provision made for depreciation for the new mill and for depletion of properties.

The following is a comparative income and surplus statement for 1931 and 1930:

Income and Surplus Account Years Ended December 31

	1931 $	1930 $
Bullion prod.	3,486,506	398,064
Cleanup after fire ..	......	377,202
Total production	3,486,506	775,266
Less oper. expenses:		
Ore salvaging costs	622,576	15,803
Mining	412,743	290,177
Devel. & explor. ..	86,872	359,914
Milling	541,053	108,586
Adminis. & gen. ex.	172,317	133,082
Insurance	18,403	18,814
Prov. & mun. taxes	35,237	27,112
Operating earnings	1,597,304	*178,222
Add non-oper. revenue:		
Discounts earned ..	1,483	1,696
Miscellaneous	41,775	85,559
Bond interest	225,644	265,601
Bank & misc. inter.	5,538	21,261
Net earnings	1,871,744	145,895
Less:		
Res. for incm. taxes	180,921	28,000
Res. for deprec. of plant	200,000	32,185
Written off prop. .	500,000	......
Net profits	990,825	85,710
Less dividends	953,334	953,334
Surplus for year	37,491	*867,624
Add: Previous surplus	2,283,973	3,172,172
	2,321,464	2,304,548
Less:		
Special write-off .	97,535	......
Bonus to employees	21,120	20,575
Bal. carried forward.	2,202,809	2,283,973

*Deficit.

Earnings per Share and Dividend Record:

	1931	1930
Earned per share..	1.04	0.090
Dividends paid	1.00	1.00

The balance sheet dated December 31, 1931, shows a strengthened liquid position with current assets totalling $6,188,546 as against current liabilities totalling $599,471, giving a working capital of $5,589,075 or $5.86 per share. This compares with a net working capital of $5,113,247 at the end of 1930. Two of the principal items in the current assets are the company's securities holdings, carried at a cost of $4,405,672 and its investment of 90,000 shares in the East Geduld Mines, carried at a cost of $1,107,117. In common with the investments of other companies Dome's securities declined in market value on December 31, 1931, to $2,630,800, as compared with a shrinkage from $4,915,953 to $4,810,700 in 1930.

At the mine in the Porcupine area, Ontario, improved conditions are reflected with an increase in the ore reserves from 1,900,000 tons shown in 1930 to 1,920,000 tons at the end of last year, despite the milling of 542,600 tons.

Mention is made in the report that the company has been negotiating for certain prospecting rights in South Africa but that nothing definite has been consummated.

Hudson's Bay Deficit Was £646,605 in 1931

Hudson's Bay Co. had a trading loss of £646,605 after provision of £200,000 for depreciation on properties and £131,697 for losses incurred by subsidiaries, in the year ended January 31, 1932. In the previous year trading loss was £761,744. During the year effect was given to reorganization of administration of Canadian properties which are now administered by a Canadian committee.

Formation of a separate Canadian company has been delayed due to the impossibility of selling securities. Land sales have been substantially lower and collections of installments due on former land sales have gone into arrears. The departmental stores operated by the company in the west have been adversely affected by decreased purchasing power of the agricultural population.

Dominion-Scottish Reduces Preferred Dividend Rate

Dividend on the 5 per cent cumulative preferred stock of Dominion-Scottish Investments Ltd., has been reduced to an annual rate of 4 per cent on the $50 par value shares with the declaration of a quarterly dividend of 50 cents payable May 1 to shareholders of record April 20. Previous quarterly payment was 62½ cents per share.

Initial dividend was paid on November 1, 1929, for the period June 1 to November 1, 1929, at the rate of 5 per cent per year and quarterly payments have been made regularly at this rate.

DIVIDEND NOTICES

Disher Steel Construction Company, Limited

DIVIDEND NOTICE

Notice is hereby given that the Tenth regular quarterly dividend of 37½c per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Disher Steel Construction Company, Limited, payable on the Second day of May, 1932, to shareholders of record on the Fifteenth day of April, 1932.

BY ORDER OF THE BOARD.

Donald H. Rowan
Secretary.

Toronto, April 11th, 1932.

Belding Corticelli LIMITED

DIVIDEND No. 70

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of June to Shareholders of record at the close of business the 31st day of May, 1932.

By Order of the Board,
D. F. POLLOCK,
Secretary.

Noranda's New Hoist Made by Dundas Firm

Noranda's Mines new double drum hoist, designed for working to a depth of 4,200 ft. is receiving the finishing touches at the plant of John Bertram & Sons, Dundas, Ontario.

The hoist is of the Nordberg type and is being made under that company's specifications, but marks a departure in that this equipment is made for the first time in Canada. The tariff and the high rate of exchange is responsible for the arrangement to manufacture in Canada.

The fact that the hoist is designed for a maximum depth of 4,200 ft. indicates that Noranda has no intention of stopping its development work at the present greatest depth of 2,475 ft.

G.W. Saddlery Feels Effects of Horse Boom

Increased use of horses in Western Canada has made the outlook for Great West Saddlery Co. better than at any time in the past two years, The Financial Post learns.

This is not to be interpreted that the company has recovered as yet from a very difficult period but it does indicate a distinct brightening of the company's prospects, once a good western crop translates this increased demand into cash. In other words, although it may be some time before this improvement is felt in the earning power of the company, this branch of the company's business is now decidedely active.

A Horse Year

An interesting commentary on the return of the horse to favor is contained in the following press despatch printed recently in a western United States paper and which is said to be somewhat typical of the situation in Western Canada.

"This is a horse year. Demand is wide spread. Farmers are the principal buyers.

"Country newspapers throughout the central west—even out in Kansas—are carrying news items about the increased demand for horses manifested at local sales.

"Farm implement dealers report greatly increased demand for repair parts for horse-drawn implements, and some sale of new horse-drawn tools. Hardware dealers report strong sales of single trees, clevises, and repairs for horse-drawn tools.

"Collar manufacturers are running overtime to fill orders, and are unable to keep up with the demand for the cheaper grades. Harness dealers report heavy sales of strap work and repair parts, and increased sales of their lower priced new harness Mail order houses report an unusually large volume of sales of strap work and harness oils."

GENERAL TRUST HAS EARNINGS OF 4.4 P.C.

Assets Under Administration Show Increase of $300,000

Third annual report of the General Trust and Executor Corp. of Halifax, for the fiscal year ended Feb. 29, 1932, shows a substantial increase in earnings, rate per share being 4.4 per cent compared with 1.9 per cent in the previous year. This was accomplished by a large increase in gross earnings and despite writeoff against value of securities held.

Working capital has dropped from $107,687 to $76,535 during the year because of the investment of $55,277 in real estate for office premises. Mortgages held for the corporation's account are down $16,765, but substantial increases are shown in such holdings for the guaranteed trust account and the estates, trusts and agencies account. Total assets under administration by the last two departments have grown from $130,025 to $420,089 during the year.

Income account follows:

Profit and Loss Statement Years Ended

	Feb. 29, 1932 $	Feb. 28, 1931 $
Profit	11,637	3,556
Less:		
Inc. tax and license	1,827	98
	9,810	3,458
Less:		
w/o furniture, etc.	132	1,585
w/o organ. exp.	......	1,245
Adj. value of stocks purchased	2,318	......
Surp. for year	7,360	678
Prev. surplus	2,557	1,879
Bal. car. for.	9,917	2,557
Earning rate	4.4%	1.9%

In the Mail

Gold and Silver Unnecessary

Editor, The Financial Post.

So much has been said by national and international capitalists and by our Dominion government about gold and silver currency causing the present crisis, that it would seem some action would be appropriate, especially when it requires so little to bring about prosperity.

The Dominion can set up a board of economists to give a normal value to the various classes of labor and artisans required in manufacturing the commodities necessary for a high standard of living; when this has been done it will be a simple matter to ascertain the energy hours of man required to mine or harvest, manufacture, transport and distribute the natural products of Canada.

The Dominion can issue $500,000,000 notes backed by a statute making these legal tender and there need be no interest because the banks can take off a commission from each personal transaction. It might be well to transact all business by cheque and in this way the Dominion could collect its taxes at very little cost by "cheque stamps."

Capitalists may be expected to object, but nature provides that we enter this world without any gold standard currency and take none away, it also provides that, if we observe natural laws in the collection and distribution of our resources, there will be enough for all; it is just as fundamentally impossible to carry on with an unbalanced ratio of commodity values, strangled distribution and 70 per cent of the people engaged in non-productive occupations and another 10 per cent denied the right to engage in production. We are over-stocked with insurance, stock and trust companies as well as propagandists howling for unemployment insurance; give us a leader and assured employment.

W. A. G.

Revelstoke, B.C.
Mar. 29, 1932.

DUFFERIN PAVING CAPITAL OUTLAY SHOWS INCREASE

Drew on Surplus to Fill Preferred Dividend Requirements

Dufferin Paving & Crushed Stone Ltd. earnings dropped to $381,658 in 1931 from $706,713 shown in 1930, a reflection of conditions in the construction industry. Net profit, after reduced provision for depreciation and depletion, amounted to $85,814 or $4.66 per share on the first preferred stock. In 1930 net profit was $230,169 or $12.38 per share on first preferred. After payment of dividends on both first and second preferred stock the company ended 1931 with a loss of $118,329, which reduced surplus carried forward to $113,630.

During 1931 $510,595 was expended on new property and plant in order to maintain and develop future earning power of the company and this reduced working capital below minimum called for in letters patent. The pre-mixed concrete business entered in 1930 has been extended and has provided additional outlet for crushed stone production. Current assets total $661,868; current liabilities, $422,367, for a ratio of 1.57 to 1 compared with 3.97 to 1 in 1930. Chief changes in current assets is reduction of cash to $117,749 from $361,896 in 1930; reduction in receivables to $111,755 from $210,309, while inventories are up to $270,205 from $222,176.

Consolidates Statement

Figures for 1931 are not strictly comparable with those for 1930 since assets and liabilities of the Quebec subsidiaries have been consolidated with those of the parent company, while in 1930 interest in those companies was carried as an investment. In current liabilities is shown a bank loan to Quebec Paving Co. of $180,000. Accounts payable are up to $135,194 from $102,615.

Fixed assets are shown at $3,431,910 after deduction of depreciation and depletion reserves of $1,475,636. In 1930 fixed assets after depreciation and depletion were carried at $2,956,045. Mortgage payable has increased to $158,500 from $132,500; contingency reserve is up to $32,253 from $20,573. There are 18,385 shares of first preferred stock outstanding, 201 shares having been retired during the year. Second preferred stock is outstanding to the extent of 12,500 shares and common stock outstanding is 60,000 shares. Capital surplus remains at $271,632.

Income and Surplus Account, Years Ended December 31,

	1931	1930
Net earn. from operations	$381,658	$706,713
Less: Depreciation	250,000	337,850
Depletion	45,843	52,477
Income tax res.	....	26,217
Res. for investment ...	....	60,000
Net profit	85,814	230,169
Less: 1st pfd. divd. ...	129,143	133,823
2nd pfd. divd.	75,000	75,000
Srpls for year	*118,329	21,346
Add: Previous surplus .	231,959	210,613
Surplus forward	113,630	231,959

*Loss.

NASH OFFERS FIVE NEW SPRING SERIES

Four Eights and a Six Shown in Twenty-seven Models

Nash Motors present five new series of automobiles this season all of which have been improved along the most modern lines.

There are four eights and a six in twenty-seven models in the group, ranging from the coupé to convertible limousines. The largest model is the Ambassador eight with 125 h.p. motor and 142 inch wheelbase ranging from $3,476 to $4,130 in price. This is followed by the Advanced eight with the same horsepower but 133 inch wheelbase priced at $3,002 to $3,511. The third series is the special eight of 100 h.p. with 128 inch wheelbase ranging from $2,474 to $2,752 in price.

Lowest price in an eight is reached in the standard eight at $1,714 to $1,905, which has an 85 h.p. motor and a 121 inch wheelbase. The six cylinder model develops 70 h.p., has a 116 inch wheelbase and is priced at $1,361 to $1,608. All prices quoted include taxes and all costs of delivery at Toronto excluding license.

Slip-stream body construction is a feature of the new models, and is accomplished by using V-shaped radiator, sloping windshield, and scientifically curved fenders and body. This reduces wind resistance to a minimum and gives the cars a graceful appearance.

Ride control and synchromesh freewheeling are among the mechanical improvements in these cars and the underslung worm drive is another valuable innovation. The latter allows reduction in the height of the body, which is an important factor in further reducing wind resistance, and it also makes it possible to cradle the rear seat in a position ahead of the rear axle instead of on top of it as in conventional bodies.

Greater strength is given to the body construction by the new cruciform truss frame with massive X-dual member extending almost the whole length of the chassis. Other mechanical advancements include new centrifuse, cast iron lined, brake drums on all eights, aluminum alloy connecting rods, drilled for oil, and larger tires on smaller stronger wheels.

COSTS 3 PER CENT TO TAX INCOMES

Government Has Collected Over $744,000,000 This Way Since 1917

Since the federal government income tax was imposed in Canada in 1917 as a source of raising revenue for the Dominion Government approximately $744,000,000 has been collected. The average yearly collection of income tax for the first 13 years amounted to $52,604,895, while for the fiscal year ended March 31, 1932, the total collection from this tax will reach, it is estimated, $61,000,000.

About 20 per cent of the total revenue of Canada is raised by the income tax. In the United States about 57.77 of the total revenue comes from income tax and in the British Isles the income tax returns approximately 41.74 of the total national revenue. The Canadian Government does not impose income tax on interest or dividends paid to non-residents.

The cost of collecting the income tax since it has been in force in Canada, and also the Business Profits War Tax, which has returned over $198,000,000, has been less than $26,000,000, **or about three per cent.**

Northwestern Manager

R. L. MONTROSE

Who has been placed in charge of Northwestern Mutual Fire Association's Ottawa and Eastern Ontario office.

Tourist Trade Nets Canada $175,000,000

Canada had a favorable balance of trade on account of tourists, of $174,324,000 in 1931 according to figures issued by the Dominion Bureau of Statistics, this week.

British and foreign tourists coming into Canada spent $250,776,000 the estimate shows while Canadian tourists spent $76,452,000 in other countries. The latter figures represent a decline of 24 per cent from the $100,000,000 expenditure of 1930, while the amount of money spent in Canada shows a drop of only 10 per cent and compares with a corresponding total for 1930 of $279,238,000. The peak year was 1929 when British and foreign tourists spent $309,400,000 in this country.

Motorists Spend $188,129,000

The biggest individual source of tourist revenue was, of course, those entering by automobile from the United States. Expenditures of this class in Canada totalled $188,129,000 in 1931 as compared with $202,400,000 in 1930. Of the 1931 total, $118,700,000 is estimated to have been spent in Ontario. Other sources of revenue in 1931 were visitors from the United States by rail and steamer who are estimated to have brought in $50,629,000 as compared with $63,874,000 a year ago, and visitors entering at ocean ports who are said to have spent $12,000,000 here last year.

Analysis of what the average motorist spends in Canada show a distinct falling off in 1931. Twenty-four hour visitors spent $11 each in 1931 as against $13.61 in 1930 and $15 in 1929. Sixty-day visitors are said to have spent only $102 as compared with $112 in 1930 and $150 in 1929. Other visitors, who stayed up to six months in the country were thought to have spent $510 as against $517 in 1920 and $560 in 1929.

SHIPMENTS OF GOLD TO U. S. A. CONTINUE

Report for First Quarter Shows Exports of $17,283,380

Exports of gold from Canada to the United States during the first three months of 1932, amounted to $17,283,380 according to a return from the House of Commons, Ottawa. January exports were $2,007,817, February exports $8,216,315 and March $7,059,248. Presumably these sums are stated at the mint par of gold which would mean that the amounts reported are equivalent to U. S. A. dollars.

These shipments of coin or bullion are all being made by the government as far as can be ascertained. This week the government renewed the embargo on gold exports till May 1, it having automatically lapsed six weeks ago. No reports of licenses having been issued allowing individuals to make shipments have been received.

Reports of gold received from Canada in the U. S. A. by weeks do not tally exactly with the memorandum tabled in the House of Commons as can be seen from the following table:

Gold Movement from Canada to United States, 1932

Week ended	$	Week ended	$
Feb. 24 ..	....	Jan. 6	....
Mar. 2 ...	983,000	Jan. 13 ..	1,971,000
Mar. 9 ...	3,014,000	Jan. 20 ..	1,900,000
Mar. 16 ..	1,987,000	Jan. 27 ..	....
Mar. 23 ..	....	Feb. 3 ...	2,108,000
Mar. 30 ..	999,000	Feb. 10 ..	1,070,000
Apr. 6 ...	997,000	Feb. 17 ..	4,010,000

In connection with such exports one unusually interesting feature of the gold reserves of the leading commercial nations of the world is that the only countries holding less gold than they did in 1913 are Canada, Austria, Hungary, Germany, Russia, Argentina, Bolivia and Brazil. It will be noted that Canada is in much the best relative financial condition of the countries in this group. Since 1913 there has been a substantial increase in note circulation and outstanding bank credit in Canada so that indications are that this country has made greater use of its gold reserves since the war. Probably the enactment of legislation such as the Finance Act has had more to do with this expansion of credit than any other single factor. Either our present system allows too much license in this respect or else we were holding an unnecessarily large proportion of gold in 1913. The latter would seem to be the more reasonable assumption.

Saskatchewan to Consider Permanent Debt Commission

A permanent debt adjustment commission, with authority to forestall seizures under chattel mortgages or liens and with power to direct remedial measures in cases where eviction of farmer debtors is threatened, will be recommended in the report of the debt adjustment committee to the Saskatchewan legislature.

The report also recommends that no foreclosures be put through without the permission of the debt adjustment commissioner and that his approval be required to take action in respect of debts of more than $100. If the suggestions in the report are adopted, the commission will hold sessions at various places throughout Saskatchewan.

Manitoba Farm Board has been instructed not to make any foreclosures without approval of the Manitoba provincial debt adjustment board.

RHODESIA IS SEEN AS BIG, LOW COST COPPER PRODUCER

Annual Report of Charter Company Reviews Potential Production

Annual report of the British South Africa Co. for the year ended September 30, 1931, gives some interesting sidelights on the copper situation in Northern Rhodesia. The British South Africa Co.—the charter company originally owning all prospecting rights in Northern Rhodesia—is still interested in the development of the copper industry through royalties accruing on production.

The report says that initial production operations at the Roan Antelope Mines, Northern Rhodesia, demonstrated a cost not exceeding £25 per long ton of blister copper, including all charges, except income tax, amortization and debenture interest and that, despite the curtailment, production costs would mount but slightly. This works out to approximately four cents per pound of blister copper in the terms of New York funds. Emphasis is given to the fact that but a small proportion of the world's output of blister copper can be produced at such a low cost.

The Roan Antelope Mines went into production June, last, while the plant of the N'Kana will commence production early this year. The Mufulira plant is ready for production, but under the world curtailment agreement the Mufulira plant is not to be put into production and its quota taken over by the other two. The combined potential production is 21,700 long tons of blister copper per month.

The total combined estimate of ore reserves of the property developed, in which the British South Africa Co. is interested is 540,780,000 short tons averaging 4.1 per cent copper. It is also interesting to note that the only property in production, the Roan Antelope, is treating the lowest grade ore, averaging 3.4 per cent.

HARDWARE PRICES RAISED BY BUDGET

Some Manufacturers Absorb Tax But Others Pass It to Public

Increased cost of doing business and higher prices are seen as the ultimate results of the higher rates of business taxation announced in the Dominion Budget last week. Many hardware commodities are being revised to higher prices to allow for the extra two per cent sales tax. There are some manufacturers who for the present have announced their intention of absorbing the extra taxation. Certain paint manufacturers are advancing prices on some products by twenty-five cents a gallon, while others appear undecided on what action to take. One company has advised the trade that no change will be made in its paint prices, according to a survey by Hardware and Metal, Toronto.

Ontario wholesale hardware firms have changed their sales tax charge on trade prices from 3¼% to 5%, which they claim will be approximately equal to the 6% sales tax they have to pay on their purchases.

Income tax revisions, stamp tax increase, and the levy on long distance telephone, telegraph, and radio messages, will be added charges against the cost of doing business.

Among the price changes made in hardware this week, some of which are not a result of the budget taxation changes, are higher prices on wrought iron and steel pipe, building paper, roll roofing, prepared shingles, and lower prices on rope, sisal and manila clothes lines, caulking lead, solder, lighter gauges of galvanized sheets.

GREAT LAKES POWER EARNINGS INCREASE

Working Capital Weak With Bank Loan Shown at $50,000

Great Lakes Power Co. had net earnings of $333,359 in 1931 as compared with $313,053 in 1930 and after deduction of bond interest and miscellaneous charges shows a net profit of $170,525 against $181,916 in 1930. Surplus for the year increased to $36,075 from $29,916. Preferred shares earned $28.42 in 1931; $30.32 in 1930. Dividends were paid at the rate of $7 on preferred shares and $4 on common shares. The company sells power to Sault Ste. Marie and operates street car and ferry services.

Current assets are down to $149,787 from $369,026 shown in 1930; current liabilities are up to $144,634 from $136,862. The result is a slight deficiency of working capital which compares with working capital of $232,164 in 1930. Current assets have been reduced through disposal of securities amounting to $290,782 at the end of 1930. Cash is up to $32,430 from $15,432 and accounts receivable are up to $92,788 from $54,979. Inventories are shown at $14,521. Accounts payable have been reduced to $19,142 from $43,252 and bank loan of $50,000 is shown for the first time.

Fixed assets have been increased to $10,374,407 from $6,293,998 while liabilities include an item of $3,759,918 due affiliated companies. Surplus is $1,335,538 compared with $1,302,280 in 1930.

Manitoba Drew $360,000 from Savings Offices

Profits of the Manitoba provincial savings office were drawn on by the Manitoba Government to the extent of $300,000, during the fiscal year ended April 30, 1931, and such drawings during the current fiscal year have amounted to $60,000, according to a statement by Robert Drummond, comptroller-general, before the public accounts committee of the legislature. These withdrawals were used to apply to the farm loans sinking fund.

Enough money will not be left in the deferred subsidy account of the provincial savings offices to pay the deficit of some $3,000,000 incurred this year. It will be about $400,000 short of the required amount. Approximately $2,200,000 has been withdrawn from the deferred subsidy account this year to meet current expenses.

Ship Maritime Hardwood Abroad

Canadian hardwood is being used in the manufacture of British motor cars. Recently a substantial order for hardwood from the provinces of New Brunswick and Nova Scotia was received from a British firm of motor car makers. A shipment of 12 carloads of the order will go forward from Halifax about the middle of April.

Fraser Companies Handles Own Sales

From Our Own Correspondent

MONTREAL.—As part of a change in policy and organization, Fraser Companies has formed a subsidiary, incorporated in Maine, known as Fraser Industries, Inc., which will take over the complete distribution of the parent company's products. Hitherto, merchandising has been carried out by the Mead Sales Co.

It is stated that those members of the Mead Sales Co., most actively engaged in distribution of Fraser Companies products, will join the Fraser staff.

Halifax Exports Show Gain

A report of the Halifax Harbor Commission shows cargoes handled over the Halifax wharves from January 1st to March 18th at 217,016 tons, compared with 201,653 tons in the similar period of 1931. Imports amounted to 80,375 tons, (compared with 90,984 in 1931) and exports to 136,641 tons as against 110,669 in 1931.

Prairies Increase Fur Farms

The Prairie Provinces, with British Columbia and the Yukon Territory, continue to progress in the matter of fur farming. In 1930, according to the report of the fur statistics branch of the Department of Trade and Commerce, the number of such farms in the area was 1,249, an increase of 250 or 20 per cent over 1929.

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Investors Entitled to Reports On Real Estate Securities

Public Confidence is Shaken When No Annual Statements Follow Issuance of Original Estimates of Rentals and Earnings

By ROBERT K. McCONNELL

The beneficent beam of the searchlight of corporate publicity, which first focused on the affairs of railroads some 50 years ago, and which has since broadened to include most publicly owned industrial and public utility companies, has to the present avoided one of its richest fields, full of important shadows, the field of real estate securities. Partly because of this almost total lack of knowledge, on the part of the investing public, which has fostered the issue of many unsound and semi-fraudulent securities, the market for real estate securities at the present time finds itself in a state of demoralization noteworthy even in this period of disarranged markets. The public, badly frightened, has learned that "bond" and "safety" are not synonymous, and being unable to separate the thistles from the grass, leaves them both alone, and feeds in other pastures.

As nearly all bonds have as their ultimate security a lien on real property, let us here define the boundaries of our classification. By a "real estate security" we refer to a security backed by a direct interest in a property which depends for its value and income on its ability to market its space and site services as such. Into this category fall liens on offices, apartment and store buildings, on homes, loft buildings, and subdivisions. Also generally so classified are the securities of hotels, garages, and sometimes even of theatres. In these cases however, we maintain that the security of the investment depends upon the success of the occupant, and the independent space-site value of the property is usually insufficient to protect the full face value of even the senior lien.

Many Ill-Advised Promotions

Enjoying a position of historic prestige, the first mortgage on real property has in the present century been made a vehicle for the diversion of large amounts of public investment funds into ill-advised enterprises which were too frequently conceived and executed by promoters who hazarded little themselves, but who took generous fees from the monies raised from the public. The many sins of real estate finance cannot all be directly exposed or prevented by publicity after development, but if the public can follow the success or failure of completed enterprises, it will be better able to judge the merits of new offerings. We suggest then, as an opening wedge, a tool ready at hand, the making available of salient information regarding the earning position of all real estate developments in which the public has invested.

Before attempting to secure this publicity, it may be well to find out why it has been so far denied. Perhaps there are cogent reasons against it, or difficulties too great to merit the trouble of subjection.

Won't Record Stand Light?

One reason which immediately insinuates itself into our inquiring mind is the possibility that the promoters, whose expectations as represented to the public have not been fully realized, fear that a comparison of results with prospects would reflect on their good judgment, if not their good intent. If results were better than the prospects held forth to the investor, surely the prompter, the issuing house, and the managers, would all rejoice to publish the tidings, and so gain in prestige, and attract more business and capital. Obviously we have here one potent cause of silence, especially where silence can do the most harm.

Why then have not the bondholders themselves insisted on more information? Primarily we believe because of lack of understanding of their true position. As bondholders they have considered themselves protected from loss by the junior investment of the equity holders, and how much these equity holders made or lost was of little concern to them. Whereas in reality there has often been a negligible or no junior equity, with promoter owners whose pockets were already well lined by the time the building was completed, and who maintain but a casual interest in "their" property.

To this apathy on the part of investors may be added a general lack of knowledge as to just what information they should receive, and a tendency to credulity toward the meagre facts offered. And finally we have the fact that the investors with common interests are few in number, and generally effectively decentralized. Much of the money which has raised speculative edifices in our larger cities during the past ten years has been gathered in small amounts over a radius of several hundred miles, and generally the poorer the security, the farther afield the issue has been sold.

By such stuff is secrecy preserved. No tall dragons here. No swords required. Merely a gentle insistence on the part of those who are in a position to demand, and a realization, on the part of those who have the power to comply, that they no longer have anything to lose, and that seldom does there occur such an opportunity as the present affords to air their grief in such excellent company.

What then should be told? Principally these facts: gross rental receipts, servicing costs, maintenance and repairs, taxes, insurance, and management charges. The net available for sinking fund and interest should be shown, and for comparison the amount required for depreciation under the theoretical rate. Also useful would be a statement of vacancies, with revenue possibilities at the rate of the most recent lease. Admittedly much more would be of interest, but this will do for a start.

All of this information is immediately available on the books of the building managers, so no serious objection of cost can be raised. It can easily be placed in the hands of the trust companies identified with the issue, whence brokers and dealers, from whom the public is accustomed to obtain investment information, may receive it on enquiry.

From this modicum of effort we may expect to receive very real benefits and consequential effects. Most immediately we will see a closer, firmer, and more active market for real estate securities. This will of course be advantageous to present security holders. Secondly, by the indication of trends and the exposition of inefficiencies, operations inimical to the interest of bondholders would be revealed, and the forestalling of many potential losses should be made possible. Finally, and of greatest importance, an immeasurably better criterion for the evaluation of new issues will be provided. It is this effect which makes the subject of most vital general interest.

No industry is more important to the economic tone of the country than the construction industry. Periods of depression such as we are now experiencing are marked by an almost total absence of building which requires public investment funds for financing. It is true that at the present time there is very little demand for such building. It is equally true that did such demand exist the money could not be secured. We may go a step further and say that when such demand does arise, which happy event, we hope, will occur in the not long distant future, it will prove difficult, if not prohibitively expensive, to raise public monies, unless the present veil of secrecy and ignorance shall have been burned.

We ask for frankness and publicity then, for the benefit of those who have invested and those who will invest, for those who will wish to obtain capital for the construction of buildings with a logical economic function, and on the part of the community at large, which will benefit by the improvement in health of this, one of its most important members.

Canada Steamship

What is the outlook for Canada Steamship Lines this year? I hold some of the general mortgage bonds, and am rather anxious as to the company's position.

The past two years have been difficult ones for Canada Steamship Lines. Navigation on the Great Lakes has been inactive, due, in part, to the slow movement of grain to export markets. Earnings of Canada Steamship Lines in 1931 were not sufficient to cover fixed charges, after depreciation, and the income account showed a deficit of $1,310,462 after all charges. A deficit of $597,267 was brought forward in 1932. Progress this year is dependent on an improvement in shipping conditions; until navigation gets under way it is not feasible to hazard an estimate as to the outcome for the year.

Canadian Hydro

I hold some preferred shares of Canadian Hydro-Electric Corp. and am prepared to hold on to this if worth while. Do you know if earnings covered preferred dividends last year?

Canadian Hydro-Electric Corp. has done well since its formation; it is one of the largest factors in the utility field in Canada, and a substantial portion of its output is sold on long-term contracts. It is worth remembering that power sold by Gatineau Power Co. to the Ontario Hydro is paid for in New York funds. Though the financial statement for 1931 has not yet been made available, indications are that earnings will be sufficient to cover preferred dividends, while an improvement in industrial conditions should find reflection in profits in the future.

Overloaded With Oils

At the present time I am carrying 490 shares Imperial Oil, 240 shares International Petroleum and 5 shares Brazilian Traction. I do not own them outright but have ample security. I am not much concerned about the income received for the next three or four years. What I desire more particularly is to arrange my holdings so that they will appreciate in value when stocks begin to take an upward swing. I feel that I am somewhat overloaded with oils and think that I should probably unload some of these for industrials. I have in mind International Nickel and Steel of Canada. Your comment will be appreciated.

Your feeling that you are somewhat overloaded with oil stocks is a sound one. You are seeking appreciation but you evidently realize that it is well in the meantime to seek as great safety as possible. One of the means thereto is to diversify your holdings. As a long hold investor your desire for appreciation is most likely to be gratified by seeking companies with an excellent record for dividend payments, for sound expansion and for leadership in an industry or business which is necessary and whose capacity is not greatly in excess of consumption. Add to these qualifications that the industry seems likely to have an expanding market for a long period and that in this time of difficulty your choice should also narrow down to companies which have had sufficient foresight to accumulate strong liquid reserves that are a tower of strength in time of adversity and a very present help when business begins to pick up.

We presume that there is no question in your mind as to the inherent strength both from an operating and a financial standpoint of Imperial Oil, its great subsidiary, International Petroleum, and Brazilian Traction. The difficulties of the investor in shares of these companies have not to do with the record or the financial position or the management of the companies themselves. They have proved themselves in the past in a way to please any investor.

The difficulties of the oil companies arise from the overproduction of crude oil and the results that come from it in great pressure of gasoline supplies on the market and the lowering of prices especially in the United States almost to insolvency levels. Canada has been protected from that by a tariff and by dumping clauses, but oil companies this year as well face difficulties of a political and fiscal nature, in that Ottawa is investigating gasoline prices to see whether they are not too high, while the provinces at the same time are making prices to consumers go higher by raising taxes all over the Dominion.

So far testimony before the Ottawa Committee has been that profits made by oil companies are of a modest nature and that only volume of sales has permitted them to earn and pay dividends.

International Petroleum faces peculiar difficulties in that its production is obtained in Peru and Colombia. Peru has been subject increasingly in the last two years to revolutionary disturbances, which have been accompanied at times by radical suggestions that the nation take over the oil business. In point of law, International Petroleum seems to be well protected in that the area of its leases was determined by international agreement at Paris and a good deal of outside pressure might therefore be expected to be exerted on Peru if it follows the counsels of the radical members referred to and overrides an agreement made under international auspices.

Brazilian Traction finds its chief difficulties to reside in getting the full measure of its earnings translated into dividends in Canadian money because of the fluctuations in the milreis, the basis of Brazilian currency. There has been a revolution in Brazil and although cable reports from that country indicate some improvement in conditions, there has to be much greater progress before great confidence is justified.

International Nickel's present earnings are low but this does not discourage you. The company is strong financially, it has at present a 90 per cent share of the world demand for nickel, it has one of the richest mines in the world whose full potentialities cannot be known until world demand for nickel, copper, and silver grows greater and causes a rise in prices of silver and the base metals. Its gold and platinum by-products are important.

The accelerating trend during times of active business toward stainless and rustless steels increases the strength of the nickel position, and, as the demand for nickel determines the extent of mining, this is in its favor. Copper and silver have been the chief products of this company subject to overproduction and platinum mined is somewhat over world needs. The company solved after the war a much more serious overproduction or underconsumption problem arising out of the fact that nickel became a drug on a market which had only required it for war purposes. By research the company found hundreds of uses for nickel in peace times and research is now busy trying to do the same thing for silver, platinum and copper.

Steel Co. of Canada is the leading company in the steel business in Canada. It has had sound management, has accumulated large reserves and has traversed the present depression which is more than usually hard on steel companies, without dropping dividends and without trenching on surplus greatly to pay them.

The hope for this company is that if it can do so well in a time of very bad business it may resume its growing strength later on in a time of good business. At present, all over the world, steel companies as a rule are operating at less than 30 per cent of capacity.

Consolidated Oka

What are prospects for Consolidated Oka Sand and Gravel Co. this year? I bought some of the bonds a couple of years ago. Did the company earn its interest in 1931?

Officials of Consolidated Oka Sand and Gravel Co. said in the annual report that prospects indicate a marked reduction in the amount of business offering this year, though economies put into effect will offset to an appreciable extent, the anticipated reduction in earnings. In 1931 bond interest was earned 1.89 times after depreciation; interest requirements are not large, amounting to $44,403 last year. The company's activity is dependent on construction in Montreal and district; in view of general conditions few major building contracts are in prospect this year. Reflecting the situation, the company passed its preferred dividend recently.

Canadian Pacific

I have been advised to sell my C. P. R. common shares and invest the proceeds in the new issue of convertible collateral trust bonds. What is your opinion of such a step?

Though some capital loss would be entailed at the moment, together with a decrease in income, the added security offered by the bonds has its merits at the present time. As you know, earnings of the road in 1931 fell below the present dividend rate of $2.50, being equal to 63 cents a share. There has been no improvement in revenue during the current year to date, and unless there is a change for the better, there can be no assurance that the existing dividend will be maintained. Further, in the event of a substantial improvement in the next five years and a subsequent strengthening in the common stock, the bonds can be converted par for par into the common. In the meantime, your investment has been protected by the additional security offered by the bonds.

Power Corp.

Among my holdings are some shares of Power Corp. of Canada, which I bought at a higher level than those of today. Would you be good enough to give me some information on this stock, and its outlook?

Utility companies, with which Power Corp. of Canada is associated are, for the most part, making progress. Though Power Corp. derives a certain amount of revenue from its holdings in these companies, and from management fees, it should be remembered that the company has a substantial investment portfolio which has been severely hit by market conditions. Any real improvement in the company's position depends largely on a betterment in market conditions; outlook in this connection is not very impressive at the present time. All investment trusts have suffered in the past two years, and this feature of Power Corp.'s activities detracts somewhat from its investment merit.

Investment Bond

Would you be good enough to outline for me the position of the debentures of Investment Bond and Share Corp.? I understand that the company's holdings have depreciated in value and have considered selling my holdings.

The financial statement of Investment Bond and Share Corp. for 1931 showed an unsatisfactory financial position. The company's holdings, at market values on December 31, 1931, totalled $1,663,079 compared with a book value of $5,321,807. There was outstanding at the end of the year $2,486,500 of 5 per cent debentures; based on market value of securities plus other assets, less current liabilities, the equity of each $1,000 debenture was $429.

Since the company does not publish a list of its investments, it is difficult to comment on its prospects; any improvement must depend upon a betterment in market conditions. Whether you should sell or hold on to your bonds depends upon your willingness to wait for an improvement in market conditions. Present quotations on the debentures are around 30-35; a substantial capital loss is indicated if you sell today. In view of the company's position it is possible that some sort of reorganization will be undertaken at a future date.

Quebec Pulp

As a new subscriber to The Financial Post I would like to take advantage of your enquiry service. Would you be good enough to outline for me the last balance sheet of Quebec Pulp and Paper Corp. What did the income account disclose, and what properties are owned by the company?

The last financial statement published by Quebec Pulp and Paper Corp. covered the twelve months ended December 31, 1930; the last active mill, as you probably know, was closed in October, 1930. The report showed an operating deficit of $44,292, which was increased to a net loss for the period of $264,,006 before provision for depreciation, by expenses and other charges. With the addition of the previous deficit, a debit balance of $945,664 was brought forward into 1931.

The balance sheet showed current assets of $212,430 against current liabilities of $91,244, leaving a net working capital of $121,186. Current assets included cash of $59,246; groundwood pulp valued at $11,670 and stores and supplies of $123,785. Other assets included investments at book value of $729,932 and fixed assets were carried at $9,625,588.

In liabilities, a reserve for contingencies totalled $384,837 and reserve for cutting rights was carried at $468,750. No bank loans were outstanding at that date. Capital structure comprised $7,000,000 of 7 per cent preferred stock and 100,000 shares of no par common, carried out at $3,000,000 in the balance sheet. A capital surplus of $639,261 was revealed but operating deficit totalled $945,664.

The company owns two mills at Chicoutimi with a rated capacity of 350 short tons of ground pulp per day; a mill formerly operating at Val-Jalbert with a daily capacity of 125 tons was dismantled in 1929.

Supersilk Hosiery

Will you kindly give me your opinion as to the merits of the Supersilk Hosiery Mills as an investment?

You have not stated whether you desire information as to the investment merits of the 7 per cent cumulative first preferred shares or the common shares of Supersilk Hosiery Mills.

The company manufactures 12 lines of pure silk full-fashioned hosiery. In addition to domestic business it carries on an export trade to Australia, New Zealand, Ireland, Trinidad, India and other foreign countries. The factory at London, Ont., has 37,500 square feet of floor space. The knitting plant has 528 sections of full-fashioned machinery as compared with 144 sections at the beginning of 1929. The daily production is 5,000 pair of full-fashioned hose. At the beginning of 1929 the company had only one line as compared with twelve now.

During 1931 the company reported production at a higher level than in 1930 but volume in dollar sales was less owing to the lower prices at which hosiery was sold during the year. Export business fell off owing to tariff fluctuations in markets of the company. In a time of depression and in a time when raw silk has been considerably over-produced, the company apparently did comparatively well, in 1931, in increasing its output and its earnings.

The investment position of the stock is rather hard to determine in view of the fact that the company does not publish a balance sheet. In the annual report to shareholders it was stated that the company had current assets of $249,000 and current liabilities of $38,000, which apparently gives it a good position although items making up the current assets and liabilities are not shown. Net profits were stated to be $61,000 or less than 10 per cent on sales of $640,000. The figure given was stated to be after depreciation and provision for doubtful accounts, but the amounts thus deducted are not stated.

Honey Dew Preferred

A few weeks ago I was persuaded to buy preferred stock of Honey Dew Ltd., and suddenly discovered the liability the company has on its United States rights. What are these rights? What is the position of the preferred stock?

In 1931 Honey Dew had gross sales of $1,312,827, or $167,000 less than in 1930. Operating expenses were reduced, however, and an operating profit at $236,160 was maintained at the 1930 level. The preference shares earned $9.85 against $10.58 in 1930. After payment of preferred dividends amounting to $105,000 in 1931, the company had a surplus for the period of $42,784, and brought forward a surplus into the current year of $199,914.

The company must pay $200,000 before August 1, 1933, in order to complete payment for United States rights, purchased for $600,000 in 1928. At the present rate of earnings, this payment cannot be made unless preferred dividends are passed for some time.

To our knowledge, there has never been a full statement regarding the purchase of rights of manufacture and sale of Honey Dew in the United States for $600,000. The parent company has two subsidiaries in the United States which operate a total of eight sandwich shops. One subsidiary in Illinois went into liquidation during 1931, four shops being closed out and the remaining one is still in operation.

If the company can maintain its present volume of sales, it would appear to be in a position to pay preferred dividends once its liability on American license was liquidated.

Chains, Oils, Drinks

I have some money for investment and am favorably inclined to buying stocks of Loblaw Groceterias, Dominion Stores and B. A. Oil. Is there anything in the present position of these companies to make one chary? I have held Canada Dry common for some time. How is that company doing?

Loblaw Groceterias and Dominion Stores still occupy a favorable position at the head of chain store groups in Canada. Their current financial and operating positions both continue favorable and barring unforeseen losses, its officers appear confident that in the future the steady progress shown in the greater part of the last decade may continue.

B. A. Oil probably in 1931 made a larger profit per gallon of gasoline than any other company in the business. It became a fully integrated oil company with important crude production in East Texas and Oklahoma, with chartered ocean oil tankers bringing crude from East Texas to Montreal and a growing fleet of boats taking part of it on to the refineries at Toronto. It expanded in Quebec and Eastern Ontario so that a new modern refinery built in Montreal would have an adequate market for its production. The company's principal objective in 1932 is to strengthen working capital which has been somewhat depleted by this most important expansion.

Canada Dry had a spectacular rise into large production and made very large profits some years ago. These profits have been considerably cut in recent years because of the depression and because of growing competition in its chief field in New York City. The company has been aggressively striving to maintain its position and to get its share of the business both by improved methods of marketing Canada Dry and by trying out new products. One of these, a concentrated "Canada Dry" for use of soda fountains apears to be making progress. The company's earnings for 1932 as in other years will depend a great deal on the temperatures experienced this summer and the length of hot periods.

F. N. Burt Co.

Please advise me as to the financial standing and position of F. N. Burt, Co. Ltd., Toronto. What business do they carry on? Would it be advisable to buy their common stock now? Would it be advisable to sell any holdings of their stock?

F. N. Burt Co. manufactures in two factories at Buffalo, N. Y., paper boxes, paper novelties and folding cartons, and through a subsidiary, Dominion Paper Box Co. of Toronto, it makes folding cartons, rigid paper boxes, jewellery boxes, round boxes, mailing tubes and cores.

Shipments in 1931 were 11 per cent below those of 1930. The company reduced expenses substantially in all departments but the chief problem was "irresponsible price-cutting" according to the statement of the president, S. J. Moore, at the annual meeting.

Current assets are seven times current liabilities and cash alone was twice the amount of current indebtedness, including dividends and tax reserves.

The directors drew upon surplus during 1931 to the extent of $39,938 in order to maintain the dividend rate of $3 per share on $2,687,700 of common stock of $25 par value. In the preceding 22 years the average annual addition to surplus out of profits of the company had been $73,550.

By various operating economies, including wages and salary reductions, the company has maintained its expenses in favorable relation to the changing market demand and reduced prices. Its strong working capital position, and powerful affiliations in the companies controlled by Moore Corporation, give it a good advantage in the industry. It has no funded debt and the preference stock outstanding has been reduced to $62,300.

The company's stock in most years has enjoyed an active market.

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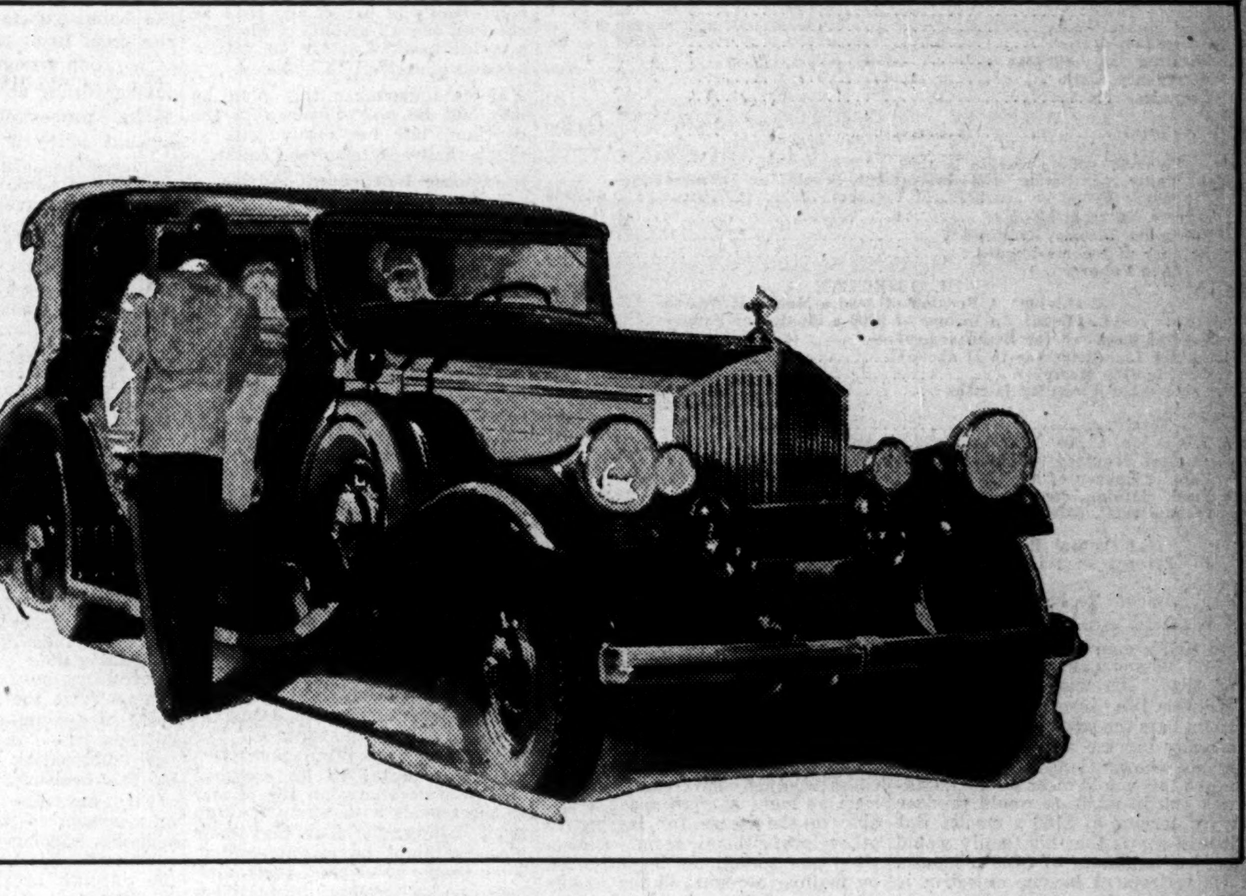

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Insurance for Buyer and Seller

Stock Market Drop Is Serious Problem to Professional Man

Impairment of Average Estate Reveals Need for Constructive Action During 1932

By R. M. HAULTAIN
Sun Life Assurance Co. of Canada

That the professional man is badly bruised financially at the present moment, through circumstances beyond his control, is apparent to those who study his problems.

The salaried man who has taken a 10 per cent salary cut is affluent compared to the architect, the dentist, the doctor, the engineer or the lawyer, whose shrinkage in income for 1931 has been at least twice 10 per cent. In many localities the shrinkage has been even more drastic.

Professional Man's Problem

The professional man has a special problem in that he has no superannuation income behind him. He must build his own and the building must be done during his active years. This creates a serious problem for the man now past 40 years of age. Perhaps more serious in the light of what has happened than at any time during the last 100 years.

Confronted with these special difficulties, let us find the facts—then face the facts—then apply the remedy.

Obviously the first step is to spread out the whole financial picture, so that a bird's eye view can be obtained and a study made of the background, taking all factors into consideration.

An Average Picture

For this purpose let us strike an average of a good many cases studied during 1930 and 1931, and make the financial diagnosis. As no one man's figures can be shown, the illustration shown herewith is the average made from the figures of a number of physicians with large concentrated practices in Toronto. These men have their surgery and office at the house. The figures are not suggested as an ideal budget. They are a fair example of actual expenses:

DOCTOR X, AGE 42. WIFE, AGE 38. SON, AGE 8. DAUGHTER, AGE 5

I. INCOME VS. OUTGO

	Living	Dead
Home (Value $12,000 less mtge. $5,000)		
Principal Repayments	$ 200	$ 200
Interest on Mortgage	300	300
Taxes	280	280
Fire Insurance	35	35
Repairs (Based on 1%)	120	120
Light & Heat	300	300
Telephone, etc.	100	50
Food, Clothing & Housekeeping	1,800	1,000
Servants' Wages	360	...
Education	400	600
Income Taxes	125	...
Life Insurance	1,250	...
Accident Insurance	40	...
Professional Protection	25	...
Recreation, Clubs, Personal, Holidays	900	300
Automobile Insurance	40	...
Automobile Operation	400	...
Automobile Depreciation	400	...
Doctor & Dentist	Reciprocal;	Dentist, 150
Church & Charities	100	25
Capital Expenditures, Office, etc.	500	100
Total	$7,675	$3,460
Average Practice	$11,000	
Actual Collections, 1931	8,500	
Normal Surplus for Investment	3,300	
1931 Surplus for Investment	825	

II. PERSONAL BALANCE SHEET

Assets—		
Equity in House	$ 7,000	
Cash	500	
Life Insurance	50,000	
Summer Cottage	2,000	
Stocks	600†	
Accounts Receivable, estimated good	3,000	
Automobile	500	
Furniture	1,500	
Total		$65,100
Liabilities—		
Last Illness & Burial	$ 1,500	
Bank Loans	...	
Insurance Loans	4,500	
Current Bills	500	
Other Debts	1,200	
Income Taxes	125	
Real Estate Taxes	280	
Succession Duties	2,604	
Winding Up Expenses	1,953	
Emergency Cash	2,000	
Bequests	...	
Total		$14,662

†Was $30,000 on margin in 1929.

Net Value of Estate for Investment, excluding non-revenue-producing Property	$38,838
Income Value at 5% Net	1,942
Minimum Income Required	*3,460
Balance of Income Needed	1,518

*See I above.

III. OBJECTIVE

A. (Living) A Pension of $400 a Month at Age 60
B. (Dead) An Income of $300 a Month for Family

Capital Required for Disbursements—		
1. Estate Liabilities (as in II above)	$14,662	
2. Paying Off Mortgage	5,000	
3. Income for First Six Months	2,000	
Total		$21,662
4. Education, $3,000 for each Child. Total		6,000
5. Capital Required for Short-term Incomes: Rent or upkeep of home while children are dependent, 15 years. Food, clothing, etc., while children are dependent, 15 years. Income total, $300 a month. Capital total		$70,000
Total Capital Required		$97,662
Present Assets		65,100
Amount to be Underwritten		$32,562

Drawing this analysis together, we find a man with current income of $8,500 and a surplus (1931 basis) of $825. His wisdom in securing $50,000 life insurance while he could pass the examining doctor has already become apparent. The analysis shows that if he died tonight this would meet all his liabilities and in addition would produce a net income of $160 a month. But it also shows that his family would need a minimum of $300 a month. His retirement income objective is $400 a month.

His need crystallizes into a definite plan that will bring the family income to the required $300 a month on the one hand, and guarantee him independence of $400 a month on the other hand. An endowment contract is just such a plan. The three conditions necessary to accomplish both objects at the sametime are:

(1) His ability to pass a medical examination.

(2) The machinery of a life assurance company.

(3) The proportion of his current surplus that he wishes to invest in this way to attain his dual objective.

In the above analysis the study "Income vs. Outgo" is self explanatory. The figure of $100 contributed to church and charity is a very small item of the doctor's charitable work. One must remember the generous contribution of the doctor's time for which he receives no remuneration. If he did, his retirement fund problem would be simplified. He contributes literally thousands of dollars each year.

If Doctor X and his wife are really serious about building up their retirement income, the current expense situation shows places where reasonable reductions can be made without hardship. In some cases readjustments can be made such as making office space available in the house for leasing to other professional men. Collections can sometimes be improved by mailing accounts in the middle of the month instead of on the first, when there is not such an influx of bills to absorb the fortnightly salary cheque of the patient.

"Balance Sheet" shows the exact position of the doctor's estate if he dies.

We find that the loan of $4,500 against the life insurance policies was for the purpose of covering margin calls made during the hectic week in 1929 when stock prices crumbled. The cash values and dividends of the life insurance, being liquid, provided the quickest and surest means of raising cash.

Succession Duties High

The succession duty item of $2,604 is calculated on the basis of his leaving his estate outright to his wife in Ontario in which case further duties would be levied when she passes it on to the children. This method is costly compared with trusteeship, and can be improved upon greatly if competent legal, trust company, or life underwriting advice is sought.

The winding up expense item of $1,953 is 3 per cent of the capital value of the estate. This is about what the Surrogate Court would set on an estate of this nature.

"Objective" shows on an automatic basis the capital figure required if the doctor is to reach his objective from the viewpoint of leaving his family a reasonable income sufficient to feed, clothe and educate them.

This is where modern scientific life underwriting makes itself felt, as with any life assurance company, Doctor X can get greater value if he arranges the settlements of policies intended for income on an income basis, instead of on a lump sum basis. Space, however, does not permit discussion of this phase of the analysis.

Double-Barreled Problem

The intention is to assume that he is going to live and has 18 or 20 years of good health in which to build his retirement income.

On the basis of 1931 income versus outgo he has, without reducing expenses, a margin of $825. He felt that he was running behind before the analysis was made. The discovery that he was not cheered him up considerably. He is also piling up accounts receivable, a fair proportion of which should be collected.

The analysis has disclosed that his problem is a double-barrelled one. The right barrel, $400 a month guaranteed income for his wife and himself on retirement; The left barrel, augmenting, if he dies, the present family income of $160 a month (See Part II of analysis) with another $140 a month for his family.

Obviously the only type of investment available that will do both jobs at once at the stroke of a pen is one of the contracts designed for the purpose by the various life assurance companies.

Provides Good Pension

For Doctor X's particular picture, the $50,000 of life assurance will provide at age 60, if taken out when the doctor was young enough, and arranged to the best advantage, a joint survivorship pension for his wife and himself of about $200 a month. His accumulated dividends would have increased this but they went to meet margin calls in November, 1929.

If history repeats itself, Doctor X being now 42, will be due to ease off about the second depression cycle from now. He wants to be sure of a guaranteed income of $400 a month that will enable him to play golf, no matter what happens to his other investments.

If this case were the writer's own he would allocate more than half his surplus to life assurance company guaranteed investment, the rest to other forms of investment, and solve the double-barrelled problem through the medium of endowment maturing in his early sixties. On this principle Doctor X can acquire $10,000 this year, and, as conditions improve, acquire the remaining $20,000 (see Part III of analysis). He will then be travelling on steel rails, free to concentrate on his practice without investment worries, and can die comfortably at par at any time he chooses, as well as having his $400 a month assured at age 60, with a cushion of capital in addition.

If he undertakes this plan he may not be able to sleep in the daytime, but he surely will at night (between telephone calls).

Choose Independent Advice

As all life assurance companies give him about the same guaranteed return on any given contract, the question becomes one of selecting the type of contract which fits his picture best. He can thus feel free to call in any representative in whom he has confidence.

As the life assurance companies have in recent years been training their direct representatives along the lines of diagnosis and prescription on a professional basis, Doctor X will get infinitely better results if he lays all his cards on the consultation table, and the underwriter is given the time and the opportunity to base his recommendations on an exhaustive study of the many-sided picture. A few points only are touched in the above statement, the will should be studied in conjunction with it.

If the life underwriter selected is a personal friend, he will naturally hesitate to propose a searching analysis of this nature. For this reason many life underwriters nowadays prefer to let someone else propose analyzing the affairs of the friends with whom they go trout fishing, for fear that their motives might be misinterpreted. They prefer to conduct their business on a purely professional basis.

But obviously to leave off here with a very substantial cash sum payable to Doctor X's estate in case of death would not be a satisfactory answer to the problem, for the estate would be faced with the obvious worries attendant on the reinvesting of this money on a satisfactory basis.

If Doctor X lives till age 60, a $400 pension cheque will be payable monthly for life to whoever lives the longest, himself or his wife. This settles the right side of this double barrelled problem.

For the left side, here is a suggested plan for the payment of his insurance moneys in case of death:

Policy No. 1 for $12,000.
Payable in cash for estate obligations (see Section II).

Policy No. 2 for $4,000.
Payable in cash to pay his succession duties, with any provincial exemptions included.

Policy No. 3 for $5,000.
Payable in cash to pay off the mortgage.

Policy No. 4.
$250 monthly cheque to his wife for life. (Payments guaranteed for 20 years in any event), payable to the children if she dies).

Policy No. 5
$50 monthly cheque to his wife for 15 years, until his children have grown up. (Payable for the children if she dies).

Policy No. 6.
College policy paying $600 a year for 6 years commencing when his son is 16, to send him to the university.

Policy No. 7.
$50 monthly personal allowance cheque for his daughter during her lifetime. (He does not know who she will marry, and he wants to provide this safeguard for her). (Best arranged through the medium of a life trust with a trust company.

Strength - Stability - Service

Assurances In Force (Dec. 31, 1931)...$513,379,937.00
Assets $125,848,128.74
Surplus Funds and Contingency Reserves $12,412,836.25

MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.

The Mutual Life of Canada
Established 1869

A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution. F1

INSURANCE TAX WILL COST FIRMS OVER $900,000

1% Levy Costs Co's in Canada $917,000—Mutuals Storm Centre

New taxes of approximately $917,000 were imposed on fire and casualty insurance companies doing business in Canada, by the Rhodes budget announced last week. The tax is 1 per cent on the net premiums received and applies to all companies authorized to transact business in Canada or maintaining a deposit with the dominion. The tax was in force from 1915 to 1929 and after a lapse of two years was introduced again at the last session of federal parliament but never proclaimed due to difficulties over the matter of insurance jurisdiction in Canada.

The tax applies to all companies other than life, marine and farm mutuals.

On the basis of new 1931 figures, net premiums received by fire insurance companies operating in Canada under federal supervision in 1931 totalled $51,020,000 while premiums from various casualty lines (exclusive of marine) amounted to $34,725,000. The 1 per cent tax therefore means that fire companies will have to pay the Government $510,200 on account of their 1931 business and casualty companies $347,251 or a grand total of $857,451. In addition, provincial-licensed companies eligible for the tax will yield another $60,000 according to an estimate by The Financial Post.

Foreign Tax Storm Centre

The storm-centre of the legislation as affecting insurance companies is however the 15 per cent tax on the gross premiums of insurers who carry insurance with any British or foreign concern not having a deposit with the Minister of Finance at Ottawa. This legislation revives an almost similar provision introduced by Prime Minister Bennett at Ottawa a year ago but which was never proclaimed because of the Privy Council decision of last October which declared such a tax ultra vires the Federal Government.

The important difference in the two statutes is that the 1931 law would have taxed these companies directly but since this plan has been declared illegal by P. C. decree, the new 1932 law will attempt to tax insurers direct.

Whether or not it will ever become law is a moot point at time of going to press. Up until 1929, these companies were taxed 5 per cent on net premiums but the imposition of a 15 per cent tax on gross premiums or "deposits" as they are called, is said to constitute a tax equivalent of 300 per cent on the actual net cost of insurance to those using the New England Factory mutuals, which are the chief companies concerned in this situation.

Vigorously Opposed

Both Quebec and Ontario have vigorously opposed this tax and at the end of last week made representations to Ottawa on the ground that these companies were provincial licensees and that such a tax is direct threat against provincial rights and against the Privy Council decision of last year. The Financial Post also understands that if this tax is enforced, the New England Mutuals will withdraw from the Canadian field entirely in spite of the fact that they have approximately $500,000,000 of business at risk in Ontario and Quebec alone.

Subsequent to a federal provincial conference held over the week-end, Attorney-General Price of Ontario is reported to have announced that the tax would be withdrawn. Later reports neither confirm nor deny this. It is expected that Finance Minister Rhodes will make a statement in the House shortly.

Phoenix Assurance Co. Has 150th Anniversary

From Our Own Correspondent

MONTREAL.—Phoenix Assurance Co., in celebrating its 150th Anniversary this year, has issued a special anniversary number of its house organ, known as "The Bird." The 50-page booklet has many references to the company's activities both past and present, and contains an interesting review of the progress made since formation in 1782.

Sun of Canada Cuts Dividends By One-Third

Sun Life Assurance Co. of Canada has announced a new scale of dividends to policyholders effective April 1, the most important feature of which is a reduction of annual dividend distributions to 65 per cent of the scale now existing, and a reduction of the rate of interest allowed on proceeds of policies or monies left with the company to 5 per cent. The company states in its announcement that the new scale is regarded as temporary and as an increase is confidently expected as business improves, the present scale has been modified rather than a new basis of calculation introduced.

It is pointed out that in the past 20 years, 15 changes have been made in dividend scales, comprising 12 increases and three reductions, including the present one. Previous reductions were made to reconcile dividend payments with surplus earnings during the war and influenza epidemics. Nine of the increases were made in the post-war prosperity period.

In 1931 actual dividend disbursements to policyholders totalled over $27,000,000.

Specific changes in the dividend scale as reported by the company are as follows:

"For annual dividend plans the dividends will be at the rate of 65 per cent of the dividends now payable under the 1931 scale.

"On reserve dividend policies a small reduction will be made in the total amount of the settlement at the end of the reserve dividend period.

"Dividends payable on policies on the five-year distribution plan will incorporate the scales of the past four years, the fifth year of the quinquennium being, of course, calculated on the modified scale.

"A smaller reduction will be made under single premium and paid-up policies, the new dividends to be incorporated in the dividend manual.

"The rate of interest to be allowed on proceeds of policies, and on dividends, left on deposit with the company will be 5 per cent. No change will be made in the rates of interest which have been used in the past for the calculation of premiums paid in advance."

A.... Good Citizen

The Sun Life has a Big Stake in the life of Canada, where

It maintains 29 branches.
It has 5,000 employees.
It pays annually in taxes over $600,000.
It has invested over $200,000,000 in Canadian enterprises alone.

Canadians have a Big Stake in the Sun Life

Last year it paid to Canadian policyholders or their dependants over $21,000,000.

During this generation it will pay to Canadians or their dependants more than $900,000,000.

Every beneficiary under a Sun Life policy relieves society of a possible claimant for public relief

SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office: MONTREAL

Editorials that inform
Have you read them this week on page 6?

Current Events in Banking World

BANKS WILL PAY LARGE PORTION TAX INCREASES

Revision of Income Tax Affects Banks and Employees

Effects of the budget on Canadian banks and bankers are diverse. Besides the direct effects on the banks, there are the effects on customers to be considered.

Increases in taxation are, of course, the main theme of the budget, and some of these will cost the banks substantial sums. The rise from 10 to 11 per cent in the corporation income tax will be a further drain on profits, and the banks' proportion of the total amount collected by this tax will be large because of the relative stability of bank earnings. In this respect the increase in the corporation tax is a penalty against enterprises which have been able to maintain profits.

In many cases bankers will be affected personally by the reduction of income tax exemptions from $3,000 to $2,400 for married persons and from $1,500 to $1,200 for single persons, and by abolishment of the 20 per cent rebate. This will apply to 1931 incomes and has a direct bearing on the subject of salaries of bank employees which is a tender one.

Security Departments Affected

Removal of the exemption of security dealers from the tax on sales of bonds will have some adverse effect on the security trading departments of the banks since they are classed as dealers. The bulk of trading done by the banks is in government bonds, which are still exempt from the tax, but development of dealings in industrial securities, which in times past have been substantial, may be retarded by this measure.

Flat rate taxes of five cents each on messages costing over 15 cents, sent by telephone, telegraph and cable, will also have a bearing on the expense accounts of security departments. In this connection there is uncertainty concerning the regulations covering private telephone and telegraph wires which the banks operate for their security departments. Probably no attempt will be made to levy the tax on such wires.

The cheque tax, for which the banks assume the burden of collection, has become more involved. The rate will be three cents on each cheque for amounts from five dollars to $100, and six cents on each cheque for amounts over $100. There are at present no six-cent postage or excise stamps in use, and it is presumed that, for the sake of convenience, the Post-Office or the Department of National Revenue, or both, will issue such stamps by May 2, when the new tax comes into effect, or shortly thereafter. However, the three and six cent rates are simple in comparison to the graduated scale of cheque taxes which prevailed in war times. In addition to the service which the banks render in the collection of this tax, they will also contribute large amounts in taxes on their own cheques.

Interests of Clients

Some of the effects of the budget noted above will be felt by customers of the banks also, and thus react on the banks indirectly. For instance, the increases in the sales tax, from four to six per cent, and in the special import excise tax, from one to three per cent, will have an indirect influence on the banks through their clients' interests. In some cases such influences might be important enough to warrant study of these problems by the banks in order to protect their own position as well as that of their customers.

Bank Chat

Personal Loans!

One newspaper recently stated that "the only thing a banker will lend you now is his ear," to which another replied: "Well, he is pretty free, too, with his noes."

The Dominion Bank has made the following changes in staff appointments:

T. W. JOYCE, manager of the Oshawa branch, to be transferred to the Yonge St. and St. Clair Ave. branch, Toronto, as manager.

H. HALL, manager of the Yonge St. and St. Clair Ave., Toronto, branch, to be manager of the Oshawa branch.

The Bank of Nova Scotia announces the following changes in staff appointments:

J. BOGLE, manager of the Spring Valley, Sask., branch, to be manager of the Tisdale, Sask., branch.

D. B. LOVE, formerly of the relieving staff, to be manager at Spring Valley, Sask.

The Canadian Bank of Commerce has made the following staff appointments:

H. L. BLACKWELL, manager at Coniston, Ont., to be manager at Bradford, Ont.

J. F. GALBRAITH, to be manager at Dawson Creek, B.C.

The Royal Bank of Canada has made the following changes in staff appointments:

C. McMILLAN, manager of the Third St. W. branch, Calgary, to be manager of the Lethbridge branch.

A. B. McLELLAN, assistant manager of the Calgary main office, to become manager of the Third St. West branch, Calgary.

The Bank of Montreal has made the following changes in staff appointments:

S. R. FINLAYSON, manager of the Pembroke, Ontario, branch to be manager of the Charlottetown, P.E.I., branch.

G. FILLITER, manager of the Charlottetown, P.E.I., branch, to be manager of the Moncton, N.B., branch.

In Ottawa Corner-stone

Contents of a box placed within the corner stone of the Bank of Montreal's new building at Ottawa are as follows:

Photographs of Rt. Hon R. B. Bennett, Rt. Hon. W. L. M. King, J. J. Allen, mayor of Ottawa, Sir Charles Gordon, president of the bank, and of the joint general managers, W. A. Bog and Jackson Dodds:

Copy of "The Centenary of the Bank of Montreal, 1817-1917";

Specimens of Bank of Montreal and Dominion of Canada notes, and Canadian silver coins;

Latest list of shareholders of the bank;

Copy of the general statement of the bank;

Bank of Montreal centenary medal;

Copies of Ottawa and Montreal newspapers;

Names of the contractors and architects responsible for the erection of the building.

"It Pays to Advertise"

Melvin L. Straus, vice-president of the Straus National Bank, Chicago, stated recently that the hoarded advertising dollar should be the first to be put back to work. He said that customers of his bank would be advised to maintain advertising appropriations at normal levels.

Manitoba to Curb Loan Shark Activities

Legislation to protect borrowers from the operations of "loan sharks" was introduced in the Manitoba Provincial Legislature recently by Hon. W. J. Major, K.C., attorney-general of the province.

The bill is designed to facilitate the orderly payment of small debts and is in the form of an amendment to the Mercantile Law Act.

The amendment gives power to the court to review any transaction entered into by a Money Lender as defined by Dominion Law, and under which it is alleged that interest at a rate not permitted by law is being charged.

B. C. Gold Output Bulks Large

According to statistics published by the provincial mineralogist the value of lode gold produced in British Columbia since 1893 to the end of 1931, totalled $144,010,148, of which approximately 80 per cent or $115,900,000 represents production from gold mining and the balance as a byproduct from base-metal mining. The estimated gold production for 1931 is placed at 152,000 ounces valued at $3,142,137.

TAXES ON BRANCHES INCREASED IN WEST

Manitoba Hopes to Raise Additional $94,000 From Banks

Banks operating in Manitoba will pay $147,000 in provincial corporation taxes, under the schedule included in the 1932 provincial budget, as compared with $53,000 in the 1931 fiscal year. The new taxes are $5,000 for the main office in the province and $500 for each branch. Previously the tax on the main office was $2,400 with taxes on branches ranging from $100 to $300.

The following table shows the amounts that the different banks will pay:

Bank	Branches	Amount
Royal	76	$42,500
Commerce	50	29,500
Montreal	40	24,500
Can. Nationale	16	12,500
Dominion	12	10,500
Toronto	12	10,500
Imperial	8	8,500
Nova Scotia	8	8,500
Total	222	147,000

Taxes on banks are higher in Saskatchewan also. Whereas head offices in the province were formerly taxed $1,200, they will now be taxed $3,000 if the bank maintains ten or more branches in the province and $1,500 if it has less than ten. Instead of $300 for each city branch, the tax is to be $400 for the main city office and $250 for every other office in the city. The tax on branches in towns is raised from $150 to $250 and in villages from $50 to $200 under the new schedule.

Ontario recently raised the tax on branch banks from $100 to $200 each and New Brunswick and Nova Scotia have also increased their levies on banking offices.

Weekly Bank Clearings

Eastern Cities

	April 9, 1931	April 7, 1932
Halifax	$ 2,754,315	$ 3,760,290
Moncton	680,922	822,705
Saint John	1,968,347	2,006,706
Sherbrooke	645,891	690,340
Quebec	4,920,117	4,839,946
Ottawa	5,413,790	6,647,770
Montreal	97,888,934	90,578,534
Kingston	663,746	742,159
Peterborough	654,101	700,590
Toronto	82,120,520	117,402,043
Hamilton	4,742,914	4,684,025
Kitchener	966,022	1,022,028
Brantford	939,854	992,450
London	2,459,840	3,069,307
Chatham	513,800	488,205
Windsor	2,825,567	2,765,085
Sarnia	520,700	431,181
Sudbury	585,843	502,991

Western Cities

	April 9, 1931	April 7, 1932
Fort William	$ 662,039	$ 648,567
Winnipeg	33,025,648	37,440,594
Brandon	378,681	387,865
Regina	2,868,317	3,788,885
Moose Jaw	708,945	586,236
Saskatoon	1,548,913	1,602,461
Prince Albert	345,629	346,080
Edmonton	4,194,418	5,218,293
Calgary	5,082,071	5,018,818
Medicine Hat	218,423	211,714
Lethbridge	353,879	418,017
New Westminster	535,587	617,482
Victoria	1,827,390	1,872,258
Vancouver	12,921,902	15,169,587

THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY
Head Office — Waterloo, Ont.
Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force ... 51,355,672

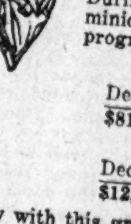
THE Western Empire Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON CALGARY EDMONTON VANCOUVER

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: KAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,616,449.70
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

Established 1884 Dominion License
Surplus Cash Assets $639,023.25
Total Surplus Assets $1,446,771.42
THE PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY
Issuing Non-Assessable Policies
FIRE AUTOMOBILE PLATE GLASS BURGLARY AND OTHER LINES
HEAD OFFICE - PORTAGE LA PRAIRIE
Branch Offices:
TORONTO, Ont. - VANCOUVER, B.C. - EDMONTON, Alta. - MONTREAL, Que.



OPPORTUNITIES with this Growing Company
During the past six years, the Dominion Life has made remarkable progress.
INSURANCE IN FORCE
Dec. 1925 $81,677,030
Dec. 1931 $150,319,791
ASSETS
Dec. 1925 $12,375,516
Dec. 1931 $25,779,000
Grow with this growing Company, where promotions are faster and opportunities for advancement greater.
Our Agency Department invites enquiries from aggressive, ambitious young men and women.
THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE - - WATERLOO, ONTARIO
S.1

NATIONAL BEER REPORT SHOWS STRONG POSITION

Covers All Charges After Investment Provision

From Our Own Correspondent

MONTREAL.—Net earnings of National Breweries in 1931 were down about 19 per cent from 1930 at $1,981,630 compared with $2,456,699; earnings for last year, however, include an unspecified provision for decline in value of investments.

After provision for depreciation and preferred dividends, there remained a sum equal to $1.73 a share on the common stock against $2.40 a share in 1930. Payments at the rate of $1.60 a share were made during the year and a surplus of $91,257 was added to profit and loss, increasing it to $5,311,123.

Net profits of $1,439,702 were equal to $12.97 on the preferred stock against dividend requirements of $1.75.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	$	$
Net earnings	*1,981,630	2,456,699
Depreciation	541,928	526,389
Net profit	1,439,702	1,930,310
Preferred divd.	194,250	194,250
Common divd.	1,154,195	1,154,195
Surplus for year	91,257	581,865
Add: Prev. surplus	5,219,866	4,638,001
Balance forward	5,311,123	5,219,866

*After provision for decline in value of investments.

Working Capital Stronger

Working capital position shows an improvement. Current assets at the end of last year amounted to $4,433,838 against current liabilities of $490,158, leaving a net working capital of $3,943,680. This compared with $3,812,547 at the end of the previous year.

Cash is lower by nearly $100,000 at $319,983 but call loans are higher by $48,000 at $548,000. A feature of assets is the sharp increase in investments which have risen from $547,665 in 1930 to $1,086,417 at the end of last year. Accounts receivable are down $241,000 at $977,499; stocks of beer, malt, etc., are down $116,000 at $1,019,395 and casks and bottles are also lower at $482,544.

An increase during the year of $350,660 in fixed assets to $11,554,911 includes completion of the company's construction and improvement programme. Additions in 1931 included final charges in connection with the new head office building and installation of additional machinery and equipment in the plant. Against fixed assets there stands depreciation reserve of $3,883,415.

Total Assets Increase

Other investments are carried at $766,501, an increase of $51,000 and goodwill is unchanged at $1,500,000. Total assets at $18,369,981 are up some $1,446,000.

In liabilities, accounts payable, including provision for Dominion Government taxes to date, are lower by $79,000 at $490,158. Depreciation reserve is increased by $542,000 at $3,883,415 and general reserve is unchanged at $500,000. Capital structure remains the same as in the previous year.

ALL DIVERSIFIED STANDARD GROUPS CONSENT TO PLAN

First Diversified Preferred Shareholders Give Approval

From Our Own Correspondent

MONTREAL.—Preferred shareholders of Diversified Standard Securities have voted in favor of the re-organization plan and the scheme of arrangement whereby the three Diversified Standard Investment Trusts will be merged into a new company, has now been passed on by all shareholders.

The new company will have an authorized capital of 55,000 shares of non-cumulative preferred stock of no par value, callable at $50 a share, and preferred as to dividends up to $2.50 a share in any one fiscal year, 160,000 shares of class "A" common stock, no par value, preferred as to dividends up to 50 cents a share in any year over the class "B" stock, and 112,500 shares of double voting class "B" stock of no par value.

Investments Had Decline

The re-organization of the three investment trust companies, followed a heavy depreciation in market value of investments and a decline in income.

The proposal to merge the three groups met with considerable opposition; the two principal objections were that preferred shareholders were foregoing the cumulative dividend feature of their holdings, while they also lacked representation on the board of directors. Following representations made by these dissenters, the management agreed to alter the plan in such a way as to give voting control to holders of the preferred and class "A" stock if the plan were approved.

Can. Locomotive Makes New Type Gasoline Loco.

Canadian Locomotive Co., Kingston, Ont., has built a 30-ton gasoline locomotive, of direct drive type, particularly for switching service. It is claimed that this is about the largest size and power in which a purely mechanical drive can be employed as electrical transmission becomes advisable for larger locomotives. The drive is by jack shaft and connecting and coupling rods. This locomotive is stated to be the first of its type built in Canada.

The locomotive just built is 20¼ feet long, 9 feet wide and 11 feet 2 inches high, and is of 4 ft. 8½ in. gauge, but the builders' intention is reported to be to construct a complete line of locomotives of the same type for both standard and narrow gauge service. Every effort has been made to make the new locomotive fool-proof and to make operation economical. Its total weight in working order is 60,000 pounds.

Jenkins Brothers Opens New Plant at Lachine

From Our Own Correspondent

MONTREAL. — Jenkins Brothers has opened its new plant in Lachine, where large scale production of the company's valves will be undertaken. The firm has been active since 1906, but hitherto plant operations have been conducted in Montreal.

Some years ago, a small bond offering of Jenkins Brothers securities was made, but the issue was redeemed within a short time. No public financing has attended construction of the new unit.

British Investment Trusts Meet Depression Firmly

Sound Management Policies Lighten Burden of World Panic on Investing Institutions

By GORDON G. GATCH

In four articles, Mr. Gatch is discussing the future of the investment trust in Canada. The last article compared North American and British trusts and the second article tells more about the successful British companies.

ARTICLE TWO: BRITISH TRUSTS MEET DEPRESSION

Advantages of British Type Trusts

Unquestionably the true British type of investment trust institution is better suited to the needs and temperament of the average Canadian investor than any of the more recent variations which we have outlined. It is the only type in which management and restriction have been so co-ordinated that the investment portfolio has been progressively adapted to meet changing industrial and economic conditions, while still safeguarding the interests of the shareholders. The British trusts have successfully combined solidity and conservatism with practical flexibility, which is typical of their political, social and financial institutions generally.

British methods and financial traditions have been adhered to in the development of the Canadian banks, insurance companies and loan institutions, and it is natural, therefore, that the future development of the investment trust in Canada should follow closely the lines along which the great Scottish and English institutions have been built so successfully.

Tribute by American Authority

Probably no more striking tributes could be paid to the character and accomplishments of the British investments trusts than those which have come from Hugh Bullock, of the investment banking house of Calvin Bullock, New York and London. There are few authorities more conversant with the operations of American investment trusts and the contrast between them and the British institutions. In an address to the Boston investment bankers, reported in the Wall Street Journal of March 27, 1931, Mr. Bullock said:

"There is about $1,000,000,000 invested in the British trusts. As a whole they have been beautifully managed. They are infinitely more conservatively managed than our trusts.

"Not more than a third of our management trusts in any way compare to the British trusts. Few of our trusts aim primarily at conserving principal and, second, providing stability of income. The most severe criticism of our management trusts is lack of experience of managers."

Another Tribute

In a more recent address before a group of investment bankers at the Bankers' Club, New York, reported in the Wall Street Journal of February 29, 1932, Mr. Bullock said:

"Investment trusts attained their most successful development in Great Britain..... The individuals who manage them are engaged in a profession. They aim at security of principal and stability of income.

"The managers should correspond to the class of men in Great Britain who devote their careers to managing funds..... There are approximately 200,000 seasoned marketable securities in the world. It takes specialists to find the best. We in America are somewhat new at this business but I believe you will see a class of men grow up who are as honest and able as those in Great Britain."

Mr. Bullock also stressed the importance of conservative operating methods, with prohibitions on borrowing and margin speculation and confinement of distributions to the shareholders to the income received by the trust—not trading profits.

1929-1931—Records Noteworthy

In a series of articles on investment trusts, written for The Financial Post in 1926, Mackenzie Williams cited various statistical records showing, among other things, the capital, profits and dividend records of many of the Scottish and English investment trusts. One table, which attracted particular interest at the time, gave the dividend records of a group of representative companies from 1914 to 1925, inclusive, and emphasized the remarkable manner in which they met the crisis of the world war and the post-war depression, when English industry was relatively disorganized.

The manner in which these companies have come through the recent depression is even more striking, as illustrated by the figures taken from their most recent annual reports..

Coming Through Depression

Table No. I accompanying this article shows the net income available for the ordinary or common shareholders and Table No. II gives the dividend records down to date of all the companies for which records during the war years are available. The records are most striking when the usual increases in capital structure are taken into consideration, most of these increases having been the result of stock bonuses or distributions in connection with "rights."

Show Sound Policies

The data in these tables offer the most convincing evidence of the soundness of the operating policies of the British companies, which, through unparalleled stresses of the war and the post-war depressions, have consistently given to their shareholders increasingly satisfactory and profitable experiences.

In a summary of the 1929-30 and 1930-31 reports of the Scottish companies, the London Financial Times has paid the following tribute:

"The dividend column shows the dividends to have been well maintained. At the date of their balance sheets, not one of these companies had occasion to reduce its dividend, and four of the companies have continued to make an addition of one per cent.

"Trust company directors have never before been faced by so many disturbing factors, internal and international, and it is a tribute to the managements of these Scottish companies that the prices of their ordinary stocks have fallen so little in relation to the ordinary stocks of industrial and other concerns. Many of the companies had substantial surpluses after payment of their dividends, and it is to be hoped that these surpluses will hold off the necessity to reduce dividends until the tide of prosperity has turned toward us once again."

The quoted market prices for the ordinary stocks of the British trusts are substantially above their asset or break-up values, which is evidence of the premium which investors are willing to pay for management.

Empire Trade and Trusts

In the development of her vast empire of commerce and finance, with their world-wide ramifications, Great Britain's financial institutions have played a foremost part. Like the government itself, they have evolved from the practical experience of many generations. Those to which her leadership are chiefly due are her banks, insurance companies, general finance companies and investment trusts, all of them recognized throughout the world for their conservatism, their strength and their solidity. They have proved the rugged bulwarks against which many recurring tides of industrial depression and financial uncertainty have battered their forces and been rolled back, to become forgotten in the more restful seas of normalcy. As "trade follows the flag," so also "trade follows investment." Through their investments in securities of many diversified types in all parts of the world, the British trusts have cemented trade relations with foreign countries and have done much to build that trade to its huge proportions.

Recent Developments in Britain

The determined, rugged and courageous nature of British financial methods have never achieved more notable results than we are today witnessing in the remarkable comeback of the pound sterling and the revival of British industry and world financial leadership. The same qualities of conservative management and far-sighted vision which have built up her great financial institutions and her world trade pre-eminence are once more being demonstrated.

Stanfield's Covers Operating Charges

From Our Own Correspondent

MONTREAL. — Earnings of Stanfield's Ltd. in 1931 are understood to have fallen sharply below those of the previous year though the report is expected to show a profit of about $18,000, after all operating and administration expenses. In 1930 net profits was $156,953 or the equivalent of $15.69 a share on the common stock.

In 1931 the company was reorganized, shareholders of the old company receiving $140 cash, one share of 6 per cent $40 preferred stock and one new share of no par common for each share of old no par common held. The forthcoming balance sheet will reflect this change.

Charles E. Stanfield has been elected to the directorate to fill the vacancy caused by the death of his father the late Frank Stanfield, former president of the company.

Canadian Theatre Co. Proffers New Plan

From Our Own Correspondent

MONTREAL.—Bondholders of Canadian Theatre Co., operating the Princess Theatre in Montreal, will meet on April 30 to consider waiving a default in interest and sinking fund payments. A former meeting which was to have been held March 29 was adjourned.

It is proposed that bondholders waive default of interest payment due March 1, and December 1, 1932, March 1 and September 1, 1933, together with sinking fund payments on those dates.

In return it is proposed that the company pays the trustee a sum of $545 a week, commencing March 1, 1932, until March 1, 1934, the money so paid to be applied to the payment of interest due on the bonds. A weekly sum will also be paid, sufficient to meet all sinking fund payments and interest on the bonds falling due subsequent to March 1, 1934.

Asbestos Shareholders Meeting Called April 27

From Our Own Correspondent

MONTREAL.—Shareholders of Asbestos Corp. will meet on April 27 to pass formally on the scheme of reorganization which has already been approved by directors. A majority of all classes of securities have already been deposited in acceptance of the plan.

Under the reorganization scheme 10 shares of the old preferred stock will be exchanged for one and a half shares of new common and 50 shares of the old common will be exchanged for one and a quarter shares of the new common.

DEFLATING COSTS OF CONSOLIDATED INDUSTRIES UNITS

But Loss to be Shown for Year Ended March 31

Despite a substantial loss on operations incurred during 1931, the position of Consolidated Industries Ltd. is basically sounder than ever before in the opinion of Major James E. Hahn, president of the company. Major Hahn states that there is greater potential business in sight for 1932 than there was at this time in 1931 and that the constructive efforts of 1931 will prove increasingly profitable in future years. The annual statement for the year ended March 31 will give effect to complete write-offs of organization expenses of subsidiaries formed during 1931 and inventories have been written down to the lowest point. Working capital has necessarily been reduced and for the first time the company will show a bank loan. Current assets remain more than double current liabilities.

Developments in the Canadian radio industry during 1931 were not conducive to high profits. Some 80,000 radio sets were shipped into Canada by foreign manufacturers, public demand, influenced by business conditions, was for low-priced sets; price cutting was rampant. As a result, profit was small, inventory losses were general, and a number of manufacturers were forced out of business. Consolidated Industries Ltd. maintained its position in the radio field and enlarged its dealer organization but profit was not up to expectations of early 1931 on which expansion programme was based.

Attains Wide Diversification

But the most important development in 1931 for Consolidated Industries was the accomplishment of a broad programme of diversification of products which, it is expected, will make the company eventually independent of either the results from any one line or depression in any one part of the country. Early in 1931 the company was primarily a manufacturer and distributor of radios although in late 1930 Hammond electric clocks had been added as a side line. During 1931 policies first formulated in 1928 and 1929 were put in effect and all organization work for the manufacturing and distribution by subsidiaries of electric household appliances was accomplished. Now the company is manufacturing not radios alone but electric refrigerators, washing machines and ironers, and in addition sells sun lamps, radio tubes, etc.

While the radio business is the most important division of the company, and will always remain an important source of revenue, the policy of the company, according to Major Hahn is to be fully prepared for the time when radio sales in Canada shall have reached the saturation point. This policy called for a programme of diversification of output in lines that would not only meet wide public demand but which could be manufactured under similar conditions and which could be merchandized through the same retail organization. These aims have been largely attained in one year. In addition, it is felt necessary that similar diversification should be achieved in the sales territory and an already large trans-Canada dealer organization was materially strengthened during 1931. The export field has not been disregarded and this is expected to be a fertile source of revenue after two or three years of cultivation. Announcement has recently been made of the formation of Consolidated Industries (Great Britain) Ltd.

Added Manufacturing Facilities

Early in 1931 the company took on the Norge line of electric refrigerators, and acquired a new plant for the manufacture and assembly of this line. Subsequently, full British Empire rights were secured for the manufacture and sale of home laundry appliances of the Conlon Corp. and plant facilities were expanded to provide for not only almost complete manufacture of Norge refrigerators, but for electric washing machines and electric ironers. The company also became a distributor of electric sun lamps and continued diversification in October and November of 1931 by taking on distribution of radio tubes and the manufacture of a tube testing device. New subsidiaries were formed to handle the additional lines. The company aimed to achieve national distribution and complete manufacturing facilities for each product within one year, and this has been achieved. Additional lines are understood to be in prospect.

Consolidates Activities

Following this period of active expansion, officials of the company have set about the co-ordination of all of the various units. To a large extent, this has already been effected and manufacture and production of all lines is now centralized under A. L. Ainsworth, president of De Forest Radio Corp., while all sales, merchandising and advertising is now under D. H. Pollitt, president of Consolidated Industries Products Ltd. the selling company of Consolidated Industries Ltd. and its constituent companies. Full consolidation is expected to be complete by June 1, according to Major Hahn, and progress to date has already resulted in a material reduction in overhead and sales cost.

The company now has some 3,000 dealer outlets from coast to coast. It has distributing centres in Calgary, Edmonton, Lethbridge, Regina and North Bay and central sales organization in the Maritimes, Quebec, Ontario, Manitoba and British Columbia. Many of the dealers carry most of the Consolidated Industries lines; are trained in selling specialty products. Production is almost wholly on an entirely Canadian basis and the plant of Norge Corp. of Canada is operating double shift at the present time. During the 11 months ended February 29, the total of salaries and wages paid by Consolidated Industries was 41 per cent greater than in the corresponding period of 1930-1931.

Outlook for 1932 is for greater stabilization in radio prices; expansion in sales of electrical refrigeration. But regardless of the result of 1932 operations officials of the company believe that with a diversified line of modern products and an energetic merchandising programme progress will be cumulative and that the company will be in a strong strategic position to take advantage of increased purchasing power resulting from any improvement in general business conditions.

Municipal Bond News

FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds." It is, therefore, the logical medium for municipal bond sale advertising.

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MANITOBA'S TAXES AROUSE PROTEST

Heavy Levies Disturb Business — Insurance Agents Fear Premium Tax

From Our Own Correspondent

WINNIPEG. — Strong protest against the proposed increase of provincial taxation to be levied on insurance premiums was made by a meeting of life insurance underwriters held last Thursday. Nearly 400 members of the Manitoba Life Underwriters' Association were present, with I. M. Ritchie, president of that organization in the chair. A resolution was passed, to be presented to the provincial government.

Tobacco dealers are also protesting the proposed provincial tax upon cigarettes, and by advertisements and circulars are pointing out the heavy Dominion taxation that is already borne by cigarettes. A provincial tax, they claim, super-imposed upon existing taxation will so reduce consumption that the revenues of the Dominion are likely to suffer to a greater extent than any revenue received by the province.

Increased taxation imposed upon banks is receiving a good deal of study in banking circles. It is pointed out that the tax of $500 per branch which is proposed may be sufficient to turn the scales in cases where continued operation of a branch is doubtful.

In government circles there is a tendency to admit, with respect to any tax that is questioned, that it is objectionable, but to say that revision is only possible if some alternative source of revenue is suggested.

SECURITY SALES WEAKENED VALUE CANADIAN DOLLAR

Recent Favorable Trade Balance Helps Exchange Says U. S. Consul

Comment on the recent trend in foreign exchange rates on the Canadian dollar is made by Emil Sauer, United States Consul General at Toronto, in a pamphlet issued by the United States Department of Commerce.

In explanation of the sudden decline of Canadian currency from par, in terms of the United States dollar, it is stated that the principal causes were the sudden impact, in September, 1931, of the increased demand for New York funds to cover withdrawal of deposits and short term loans from Canada, together with short selling of exchange and the known insufficiency of Canadian gold reserves to meet the adverse balance of payments.

Influence of Security Sales

Transactions in securities also entered into the sudden fall of the Canadian dollar. Due to the premium on their money, Americans became buyers of Canadian securities, and for the directly opposite reason British holders of Canadian securities offered them for sale. Such sales from Great Britain outweighed purchases from the United States substantially. This caused a further demand for foreign exchange by Canadians who bought these securities from Britain, resulting in additional strain on the Canadian dollar.

It is noted that the Canadian Government did not make any substantial redemption of its notes in gold and that draining of the country's gold reserves was, therefore, not a serious factor.

Present situation of Canadian exchange is improved by the balance of trade which has been in a favorable trend since June 30, 1931. Moreover, demands for United States money by Canadians who hold Canadian securities, on which interest or dividends are payable in United States currency, have been offset by immediate conversion of funds so received into Canadian currency.

Future trend of Canadian exchange depends on the country's foreign loans, international financial conditions, balance of trade and the ability of Canada to finance itself.

3 Books for Investors

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Inactive and Extinct Mining Companies in Canada

The first book of its kind published in Canada covering approximately 2,750 mining companies all having been in existence during the past 35 years 50c

Canadian Stock Market Leaders of To-morrow

Without prejudice and without any claim to prophetic vision, The Financial Post recently published a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. These articles are reprinted in booklet form. The first chapter in the booklet outlines the record of some former leaders and tells why some disappeared and why some remained. It also discusses some essential tests. Further chapters discuss individual stocks. This booklet (48 pages and cover) is available at 25c

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Annual Statements January 1, 1932

THE TRAVELERS

L. EDMUND ZACHER, PRESIDENT

THE TRAVELERS INSURANCE COMPANY

Sixty-eighth Annual Statement

Assets	
United States Government Bonds	$70,932,415.00
Canadian Dominion and Provincial Bonds	56,839,524.00
Canadian Municipal Bonds	6,439,753.00
Other Public Bonds	29,423,441.00
Railroad Bonds and Stocks	79,758,966.00
Public Utility Bonds and Stocks	76,544,360.00
Other Bonds and Stocks	48,154,903.00
First Mortgage Loans	115,921,897.85
Real Estate	21,675,811.62
Loans on Company's policies	106,171,003.04
Cash on hand and in Banks	12,103,472.32
Interest accrued	8,972,347.28
Premiums due and deferred	28,331,806.50
All Other Assets	251,306.36
Total	$661,521,006.97

Reserves and All Other Liabilities		
Life Insurance Reserves		$537,068,053.57
Accident and Health Insurance Reserves		9,283,694.15
Workmen's Compensation and Liability Insurance Reserves		49,656,736.70
Reserves for Taxes		3,512,128.55
Other Reserves and Liabilities		2,619,046.98
*Security Depreciation Reserve		7,726,633.00
Special Reserve		9,340,996.50
Capital	$20,000,000.00	
Surplus	22,313,717.52	
		42,313,717.52
Total		$661,521,006.97

THE TRAVELERS INDEMNITY COMPANY

Twenty-sixth Annual Statement

Assets	
United States Government Bonds	$1,715,282.00
Canadian Dominion and Provincial Bonds	1,673,087.00
Canadian Municipal Bonds	277,759.00
Other Public Bonds	214,289.00
Railroad Bonds and Stocks	3,119,595.00
Other Bonds and Stocks	9,909,337.00
First Mortgage Loans	312,500.00
Cash on hand and in Banks	1,730,823.36
Premiums in Course of Collection	2,017,157.56
Interest accrued	100,567.54
All Other Assets	54.00
Total	$21,070,451.46

Reserves and All Other Liabilities		
Unearned Premium and Claim Reserves		$9,649,196.70
Reserves for Taxes		298,394.71
Other Reserves and Liabilities		517,390.61
*Security Depreciation Reserve		661,853.00
Special Reserve		2,275,698.40
Capital	$3,000,000.00	
Surplus	4,667,918.04	
		7,667,918.04
Total		$21,070,451.46

THE TRAVELERS FIRE INSURANCE COMPANY

Eighth Annual Statement

Assets	
United States Government Bonds	$2,090,324.00
Canadian Dominion and Provincial Bonds	1,044,370.00
Other Public Bonds	202,200.00
Railroad Bonds and Stocks	2,755,528.00
Other Bonds and Stocks	6,456,539.00
First Mortgage Loans	250,000.00
Cash on hand and in Banks	1,756,259.49
Premiums in Course of Collection	1,205,015.14
Interest accrued	129,835.06
All Other Assets	20,433.89
Total	$15,910,504.58

Reserves and All Other Liabilities		
Unearned Premium and Claim Reserves		$10,078,455.09
Reserves for Taxes		256,770.09
Other Reserves and Liabilities		45,483.13
*Security Depreciation Reserve		519,756.00
Special Reserve		1,181,435.05
Capital	$2,000,000.00	
Surplus	1,828,605.22	
		3,828,605.22
Total		$15,910,504.58

**Basis of valuation of securities is the National Convention of Insurance Commissioners valuations adjusted by security depreciation reserves.*

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING APRIL 11

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Apr. 9	Stock	Sales	Close Apr. 4 (or last)	Week Ending Apr. 11 High	Low	Close
3¼	1¾	.	...	Abitibi	375	2	2	1¾	2
10	5½	.	...	Do. pref.	930	6	6½	5¾	6
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
x88	83	7	8.4	Do. pref.	....	83	..	..	..
7	4	.	...	Alta. Pac. Gr.	....	4	..	..	..
25	20	.	...	Do. pref.	....	21½	..	..	..
3½	2½	.	...	Amal. Electric	....	3½	..	..	..
10½	9	.	...	Do. pref.	305	10	10½	10½	10½
x3½	2½	.	...	Anglo N. Hold.	....	3½	..	..	..
.37	.15	.	...	Asbestos	30	.15	.15	.15	.15
1.00	.60	.	...	Do. pref.	....	.60	..	..	..
6	5	60c	11.7	Assoc. Brew.	....	5½	..	..	..
70	68½	7	10	Do. pref.	10	69½	70	70	70
x10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4	...	Assoc. Tele.	....	66	..	..	..
22½	16	.	...	Atlan. Sugar	880	19½	20	19½	20
92½	92	.	...	Do. pref.	....	92½	..	..	..
159½	159½	10	6.3	Bk. Can. Nat.*	....	159½	..	..	..
225	215	12	5.6	Bk. Montreal*	....	215	..	..	..
274	267	16	5.9	Bk. N. Scotia*	....	269	..	..	..
193	193	12	6.2	Bk. Toronto*	....	193	..	..	..
x24	8½	.	...	Barcelona	....	15	..	..	..
2½	2½	.	...	Bathurst Pr.	....	2½	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	20	..	..	..
5	5	.	...	Beath & Sons	25	5	5	5	5
10½	10	1	9.7	Beatty Bros. A	5	10	10½	10½	10½
60	57	6	10	Do. pref.	135	60	60	58	58
3.50	.50	.	...	Beauharnois	2445	.75	.80	.55	.65
x93	85	7	..	Belding Cort.	....	85	..	..	..
x100	90	7	..	Do. pref.	....	90	..	..	..
120	93	8	8.4	Bell Telephone	2798	101½	101	93	93
3	2	.	...	Biltmore Hats	50	3	3	3	3
x65	45	7	..	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	3½	.	...	Blue Ribbon	50	4	3½	3½	3½
25	12	2	13.3	Do. pref.	....	15	..	..	..
20	17½	2	10.5	Brant Cd. pf.	75	19	19	19	19
14½	9½	1	10	Brazilian Tr.	20464	11	11½	9½	10
x¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
1	¾	.	...	Brewing Corp.	70	¾	¾	¾	¾
3½	2	.	...	Do. pref.	25	2½	2½	2½	2½
11½	8½	80c	8.6	Brit. Amer. Oil	9868	10	10	8¾	9
1½	¾	.	...	B.C. Packers	532	1	¾	..	¾
6½	4½	.	...	Do. pref.	115	6½	6½	5½	5½
26	19½	2	10.1	B.C. Power (A)	1528	23	23	19½	20
7½	4	.	...	Do. (B)	315	5	4½	4	4½
4	4	.	...	Bruck S. Mills	....	4	..	..	..
20½	15	2	11.7	Building Prod.	330	18½	18½	15	15
32	24	3	12	Burt, F. N.	140	28	27	24	24
125	125	6	4.8	Calgary Pr.	....	125	..	..	..
3	2	.	...	Canada Bread	300	3	2	2	2
85	82	7	8.4	Do. pref. (A)	....	83	..	..	..
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	7	1	13.3	Canada Bud	960	7½	8	7½	7½
7	5	.	...	Canada Cement	1674	5	5½	5	5½
66	59	6.50	10.9	Do. pref.	387	60½	60½	59	59
b13½	6½	1.20	16	Canada Dry	5900	8½	8½	6½	7
6	5	.	...	Can. Forg. (A)	....	5	..	..	..
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	3	...	Canada Iron	....	60	..	..	..
x80	75	6	...	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	..	..	..	..
14½	10½	1.50	13.6	Can. Malting	646	12½	12½	10½	11
15	15	80c	5.3	Can. Nor. Pr.	....	15	..	..	..
92	84	7	8.2	Do. pref.	10	88	85	84	84
x6	¾	.	...	Can. Paving	....	¾	..	..	..
x51	10½	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	....	185	..	..	..
1	½	.	...	Can. Pr. & Pa.	55	¾	½	½	½
2½	2	.	...	Can. Steamsh's	....	2	..	..	..
9	5	.	...	Do. pref.	70	9	7½	6	6
16	14	1.60	11.0	Can. Vinegars	150	15	15	14½	14½
55	47	4	8.5	Can. W. Cable	10	47	47	47	47
18	10	.	...	Do. (B)	65	13	10	10	10
1½	1½	.	...	Can. Bakeries	....	1½	..	..	..
14	11	.	...	Do. pref.	20	12	11	11	11
191	186	12	6.4	Can. Bk. Com.*	....	186	..	..	..
13½	12	1.25	10.4	Can. Bronze	600	12	12½	12	12
102	102	7	6.9	Do. pref.	....	102	..	..	..
x13½	8	20c	2.5	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
9	9	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	4½	1	22.2	Can. Car & F'y	1452	6½	6	4½	4½
16	11½	1.75	14.8	Do. pref.	1005	14	13½	11½	11¾
6	3½	.	...	Can. Celanese	175	6	4	3¾	3¾
60	52	7	12.7	Do. pref.	40	60	55	55	55
20	20	2	10	Can. Convert.	1	..	20	20	20
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
17	12	.	...	Can. Dredge	300	15	15½	12½	13
x92	92	7	...	Do. pref.	....	92	..	..	..
68	68	6	8.8	Can. Fairb. pf.	....	68	..	..	..
4	3½	.	...	Can. For. Inv.	30	4	3½	3½	3½
65	65	.	...	Do. pref.	5	..	65	65	65
180	179	4	2.2	Can. Gen. Elec.	30	..	180	179	180
59	54	3.50	6.4	Do. pref.	484	55	55½	55	55
66	47½	6	12.6	Can. Hyd. E. p	127	48	49	47½	47½
1½	¾	.	...	Can. Ind. Alc.	590	1	1	¾	¾
.80	.50	.	...	Do. (B)	200	.75	.65	.50	.50
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	.	...	Do. pref.	....	65	..	..	..
20	20	1	5	Can. Lt. & Pr.	....	20	..	..	..
x18	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	5	..	..	..
b1½	¾	.	...	Can. Marconi	14100	¾	1	¾	1
13	10	1	9.1	Canadian Oil	400	11½	11½	10	10
98	98	8	8.1	Do. pref.	....	98	..	..	..
22½	13	1.25	8.8	Can. Pacific	9762	15½	15½	13	13¾
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2½	2	.	...	Can. Vickers	....	2½	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
2½	2	20c	10	Can. Wineries	....	2	..	..	..
7½	5½	1	17.4	Can. Wire Box	60	5½	5¾	5½	5½
12	9	.	...	Catelli Mac. A	....	9	..	..	..
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	1.15	10c	...	Chem. Research	2190	1.25	1.40	1.15	1.15
7.25	4.50	30c(c)	..	Cities Service	25	6.00	4.50	4.50	4.50
6	4½	.	...	Cockshutt Plow	555	4½	4¾	4½	4¾
2	2	.	...	Comm. Alcohol	....	2	..	..	..
3½	1½	.	...	Conduits	70	2	1½	1½	1½
x94	84	.	...	Do. pref.	....	90	..	..	..
8	5	1	16.7	Cons. Bakeries	1154	6	6½	5½	5¾
1	¾	.	...	Cons. Food Pr.	....	¾	..	..	..
x6	3	.	...	Do. (A)	....	3	..	..	..
5	3	.	...	Cons. Indust.	25	4	3	3	3
4	4	.	...	Cons. Paper	....	4	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
35	30	7	20	Cons. Sand. pf.	50	35	35	35	35
75	38	2.50†	6.2	Cons. Smelters	2863	46	45	38	40
166	148	10	6.7	Consumers Gas	68	149½	150	148	148
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel	....	15	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3½	2¾	.	...	Cosgrave Brew.	320	3½	3½	2¾	3
5	3½	.	...	Cosmos Imp.	32	4½	4½	3¾	3¾
68	53	7	12.7	Do. pref.	115	60	60	53	53
3	2	.	...	Crown Do. Oil	....	2	..	..	..
13	9	3	...	Crow's N. Coal	50	10	12	10	10
1½	1½	.	...	David & Fre. B	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	..	Do. pref.	....	10	..	..	..
6½	3¾	.	...	Distill-Seagram	2420	3¾	3¾	3¾	3¾
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
1¾	1¾	.	...	Do. "B"	....	1¾	..	..	..
194	189	12	6.3	Dominion Bk.*	....	189	..	..	..
27	27	2.50	9.2	Dom. Bridge*	....	27	..	..	..
x40	40	.	...	Dom. Coal	....	40	..	..	..
22½	21	.	...	Dom. Engineer	....	21	..	..	..
65	50	5	9.9	Dom. Glass	177	56	51	50	50
112	100	7	7	Do. pref.	....	100	..	..	..
5½	2¾	20c	7.3	Dom. Motors	165	3	3	2¾	2¾
7½	3½	.	...	Dom. Pr. Stubs	....	6½	..	..	..
2½	1½	.	...	Dom. St. & C B	1168	1½	1½	1½	1½
20	16½	1.20+30c	8.7	Dom. Stores	1218	17½	18	16¾	17
5	4	.	...	Dom. Tar & Ch	....	4	..	..	..
x95	79½	6.50	...	Do. pref.	....	79½	..	..	..
63½	45	5	10.4	Dom. Textile	555	52	50	45	45
105	100	7	7	Do. pref.	....	100	..	..	..
x12	10	.	...	Donnacona	....	10	..	..	..
2	1	.	...	Dryden Paper	95	1½	1½	1	1½
4	3	.	...	Duff. Paving	....	3	..	..	..
49	45	7	15.5	Do. pref.	....	45	..	..	..
20	20	.	...	East Koot. Pr.	....	20	..	..	..
x97	94½	7	...	Do. pref.	....	96	..	..	..
16	10	1	8.3	East. Dairies	110	12	12½	11	11
x20	16	1	...	East. Steel*	....	16	..	..	..
x100	97	7	...	Do. pref.*	....	98	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3½	3½	.	...	Easy Washer	....	3½	..	..	..
x37	34½	1.50	...	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78¾	6.50	...	Do. pref.	....	78¾	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	13	3	23	Eng. Electric	....	13	..	..	..
2½	1½	.	...	Do. (B)	....	1½	..	..	..
6	6	2	...	Fam. Players	50	..	6	6	6
x33½	18	2	...	Do. Vot. Tr.	....	..	..	..	..
10	9	1	11.1	Fanny Farmer	130	10	9½	9	9
29	28	2.40	8.6	Do. pref.	8	28	28	28	28
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	7½	.	...	Ford Motors A	5041	11½	11¾	7½	9½
3¾	3¾	.	...	For. Pr. Secs.	....	3¾	..	..	..
9	6	50c	8.3	Foundation Co.	15	9	6	6	6
1.25	.75	.	...	Fraser Cos.	150	.75	.75	.75	.75
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	7	...	Do. pref.	....	85	..	..	..
2	1½	.	...	Gen. St. Wares	40	1½	1½	1½	1½
82	61	5	8.2	Goodyear Tire	10	63	61	61	61
93½	80	7	7.8	Do. pref.	87	90	90½	90	90½
x93½	93½	.	...	Gould Pumps p	....	93½	..	..	..
¾	¾	.	...	Gt. W. Saddlery	....	¾	..	..	..
x8	6	.	...	Do. pref.	....	8	..	..	..
21	11¾	2	16	Gurd, Chas.	566	14	14	11¾	11¾
106	106	7	6.6	Do. pref.	....	106	..	..	..
5	3	.	...	Gypsum, Lime	625	4	4	3	3½
7	4¾	.	...	Ham. Bridge	160	4½	4½	4¾	4½
60	60	6.50	10.8	Do. pref.	1	..	60	60	60
10	7	.	...	Ham. Cot. pf.	145	7	7	7	7
2	1½	.	...	Ham. U. Theat.	100	1¾	2	2	2
53	48	7	14	Do. pref.	....	50	..	..	..
4	3	.	...	Hayes Wheel	30	3½	3	3	3
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
2	1	.	...	Hinde & Dauch	50	1½	1½	1½	1½
x75	75	.	...	Holt Renfrew	....	75	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3¾	½	.	...	Honey Dew	5	2¾	½	..	½
40	20	.	...	Do. pref.	15	20	22	20	22
4	2½	.	...	H. Smith Pap.	60	2¾	2½	2½	2½
27	20	.	...	Do. pref.	35	20	20	20	20
21½	15	2	13.3	Humberstone S.	60	20½	15½	15	15
17¾	16¾	1.40	8.4	Hunt (A)	....	16¾	..	..	..
x23½	18½	1.40	..	Do. (B)	....	18½	..	..	..
x150	143	8	5.5	Huron & E M*	....	144	..	..	..
x29½	28	.	...	Do. 20% pd.	....	28	..	..	..
11½	5½	.	...	Hydro Electric	100	7½	5½	5½	5½
193	188	12	6.4	Imperial Bank*	....	188	..	..	..
10¾	8½	50c	6.1	Imperial Oil	16846	9½	9½	8½	8½
9¾	7½	35+17½c	6.9	Imperial Tob	4007	7½	7½	7½	7¾
x80	80	8	...	Inter. Coal, p.	....	80	..	..	..
x29	9½	2a	...	Int. Hyd. E. A	....	9½	..	..	..
97	94½	7	7.4	Inter. Mill. pf.	10	94½	95	94½	94½
x80	80	6	...	Do. Series A	....	80	..	..	..
11	6	.	...	Inter. Nickel	39911	8½	8	6	6½
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	1	.	...	Int. Pa. & P A	800	1½	1½	1	1
b1	1	.	...	Do. (B)	....	1	..	..	..
b¾	¾	.	...	Do. (C)	....	¾	..	..	..
b11	4	.	...	Do. pref.	900	6	5	4	4
11¾	9½	1	10	Inter. Pete.	4909	10½	11	9½	9½
x8	5	.	...	Inter. Power	....	5	..	..	..
x78	56½	.	...	Do. pref.	....	57	..	..	..
9¾	5	.	...	Int. Util. (A)	165	7	6	5	5
3	1½	.	...	Do. (B)	440	1½	1¾	1½	1½
x40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
x109	99½	7	7	Do. pref.	....	100	..	..	..
4	3½	.	...	Kelvinator	....	3½	..	..	..
90	88	7	7.8	Do. pref.	....	90	..	..	..
7	5½	.	...	Lake of Woods	100	5¾	5½	5½	5½
x101	82	.	...	Do. pref.	....	85	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
39	35	3	8.3	Laura Secord	143	38½	38	35	35½
8	5	1	20	Lindsay, C. W.	60	5	5	5	5
60	50	6.50	13	Do. pref.	10	50	50	50	50
10¾	9¾	80c	8	Loblaw (A)	581	10	10½	9¾	10
10½	9	80c	8.9	Do. (B)	169	9½	9½	9	9½
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	20	..	..	..
x95	90	7	...	Do. pref.	....	91	..	..	..
6½	6½	.	...	Manitoba Pr.	....	6½	..	..	..
5	2	.	...	Maple Leaf	....	5	..	..	..
20½	12	.	...	Do. pref.	....	12	..	..	..
x38	30	.	...	Marcus Loew's	....	38	..	..	..
60	52	.	...	Do. pref.	5	60	52	52	52
4½	2¾	.	...	Massey-Harris	1456	3½	4	3	4
10½	7	60c	8.6	McColl Fron.	9606	8	8	7	7¾
x80	69½	6	7.9	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	35	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	..	Mitchell, J. S.	....	40	..	..	..
105	105	7	6.7	Do. pref.	5	105	105	105	105
8	5	.	...	Mitchell, Robt.	85	5	5	5	5
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	25	.	...	Do. pref.	24	25	25	25	25
75	75	6	8	Montreal Cot.	....	75	..	..	..
x102	98	7	...	Do. pref.	....	100	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
x20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
38	36	1.50	4.2	Mont. L. & Pr.*	....	36	..	..	..
x49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	44½	3.20	7.2	Montreal Tele.	87	45	45	44½	44½
150	109½	10	8.9	Mont. Trams.	12	112	112	109½	109½
10	7	50c	6.7	Moore Corp.	66	8	7½	7½	7½
93	80	7	8.6	Do. (A)	....	81½	..	..	..
97	90	7	7.8	Do. (B)	....	90	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	1½	10c	...	Muirheads	25	2	1½	1½	1½
9	8	75c	8.3	Do. pref.	100	9	9	9	9
24	24	1.60	6.7	Nat. Brew.*	5	24	24	24	24
x35	27	1.75	...	Do. pref.*	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
12½	8½	2	20.5	Nat. Steel Car.	909	10	10	9½	9½
255	245	14	5.7	National Tr.*	8	245	245	245	245
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	22	3	...	Do. pref.	....	32	..	..	..
2.50	1.75	.	...	North Star Oil	....	1.75	..	..	..
4.00	4.00	35c	8.7	Do. pref.	....	4.00	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
105	99	7	7	Do. pref.	40	100¾	100	100	100
9	7	40c	5.7	Ont. Eq. 10% p	25	7½	7½	7	7½
x120	113	6	5.1	Ontario Loan*	....	117	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel	....	13	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
x1½	¾	.	...	Orange Crush.	....	¾	..	..	..
45	36	7	19.4	Do. (A)	....	36	..	..	..
x5½	1	.	...	Do. (B)	....	1	..	..	..
100	100	6	6	Ott. L. H. & P*	....	100	..	..	..
100	100	6.50	6.5	Do. pref.	....	100	..	..	..
x25	25	.	...	Ott. Traction	....	25	..	..	..
68	41¾	5	10.9	Page Hersey	1180	52½	52	41¾	42½
b11½	4¾	.	...	Paramount	58500	6½	6¾	4¾	4¾
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	92	7	...	Do. pref.	....	94	..	..	..
x½	½	.	...	Pelissiers	....	½	..	..	..
x30	25	.	...	Do. pref.	....	30	..	..	..
28	21	3	12	Penmans	15	25	25	25	25
x101	93	6	...	Do. pref.	....	97	..	..	..
19½	17½	2	11.1	Photo Eng.	....	18	..	..	..
x40	10	.	...	Port Alfred, pf.	....	10	..	..	..
x70	64	7	...	Porto Rico Pr p	....	70	..	..	..
b9	3¾	.	...	Postal Tele.	....	..	..	..	..
36½	36½	2	5.5	Power Corp.*	....	36½	..	..	..
90	68½	6	8.7	Do. pref.	....	68½	..	..	..
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
10	6½	.	...	Pressed Metals	20	9	8½	7¾	7¾
x42½	25	.	...	Price Bros.	....	25	..	..	..
x99	70	.	...	Do. pref.	....	70	..	..	..
29	14	2	14.2	Quebec Power	1769	16½	16	14	14
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	....	1	..	..	..
6	6	.	...	Reliance Grain	....	6	..	..	..
12	10	2	17.4	River. S. Mills	60	12	11½	11½	11½
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
4	3	.	...	Rogers Majest.	30	3	3	3	3
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	.	...	Ruddy, E. L. p	....	75	..	..	..
70	61	7	11.4	Do. pref.	5	..	33	33	33
70	61	7	11..	Do. pref.	40	61	61½	61½	61½
4	3	.	...	Sarnia Br. (A)	125	3	3½	3	3
1	1	.	...	Do. (B)	....	1	..	..	..
7	4	.	...	Serv. Station	245	5	5	4	4
46	34	3	8.8	Do. pref.	120	40	38	34	34
33	33	2	6.1	Shawinigan*	....	33	..	..	..
20	8	.	...	Sher.-Wms.	115	8½	8½	8	8
x121	112	7	...	Do. pref.	....	115	..	..	..
17	5	.	...	Simon & Son	30	6	5	5	5
80	80	7	8.7	Do. pref.	122	80	80	80	80
55½	34	6.50	...	Simpson, Ltd.	....	34	..	..	..
x44½	36	.	...	Do. (A)	....	36	..	..	..
x35½	24½	.	...	Do. (B)	....	29	..	..	..
x108	100	6	...	Simpson, R., p.	....	103	..	..	..
25	15	1	6.2	So. Can. Pr.	245	18	16	16	16
90	87½	6	6.8	Do. pref.	146	88	88	87½	88
1.00	.50	.	...	St. Law. Corp.	300	.60	.60	.50	.60
4	2	.	...	Do. (A)	....	2	..	..	..
9½	9½	.	...	St. Law. Flour	....	9½	..	..	..
x85	82	7	...	Do. pref.	....	85	..	..	..
11	8½	.	...	St. Law. Pap. p	....	8½	..	..	..
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
3	1½	.	...	St. Pav. & Mat.	335	2	2	1½	1½
46	30	7	...	Do. pref.	20	40	30	30	30
x1	1	.	...	Stanfords	....	1	..	..	..
5	4	1	...	Stand. Chem.	....	5	..	..	..
3½	2	.	...	Stand. Steel	125	2½	2¾	2½	2½
x35	30	1	...	Do. pref.	....	30	..	..	..
24	15½	1.75	10.4	Steel of Can.	3814	20	20½	15½	15½
29	24½	1.75	7	Do. pref.	260	25½	25½	24½	24½
½	½	.	...	Sterling Coal	....	..	..	..	..
18½	14	1	6.2	Sup. Pete. ord.	200	15½	16	14	14
x31	14	1	...	Do. com.	....	15	..	..	..
98	95	7	7.3	Do. pref.	5	96	96	96	96
42	36	.	...	Tamblyn	....	42	..	..	..
100½	95	7	7.2	Do. pref.	5	99	97	97	97
18	17	3.50	19.4	Thayers, pref.	....	18	..	..	..
7	3½	.	...	Tip Top Tailors	15	7	3½	3½	3½
67	67	7	10.4	Do. pref.	....	67	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48½	.	...	Do. pref.	....	48½	..	..	..
13	11	.	...	Tor. Elevators	150	11½	11½	11	11
210	210	12	5.7	Tor. Gen. Tr.*	....	210	..	..	..
x215	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1½	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
120	115	7	6.1	Tuckett Tob. p.	....	115	..	..	..
4	2½	.	...	Twin City	50	3½	2½	2½	2½
b24½	9¾	.	...	Do. pref.	....	..	..	..	..
37	31	.	...	Do. (notes)	....	31	..	..	..
5	3	.	...	Union Gas	85	3½	3½	3	3
100	100	7	7	Union Trust*	....	100	..	..	..
x8	3	.	...	United Fuel	....	6½	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x62½	40	2	...	United Secs.	....	40	..	..	..
11	5	.	...	Viau Biscuit	90	10	7	5	7
75	60	7	11.7	Do. pref.	5	70	60	60	60
12	10	.	...	Wabasso Cot.	....	10	..	..	..
4½	2½	25c	8	Walker-Good.	5376	3½	3½	2½	2½
5½	2½	.	...	Do. new	2064	3½	3½	2½	3
12	9	.	...	Do. pref.	4973	9½	9¾	9	9½
3½	2	.	...	Waterloo Mfg.	....	2	..	..	..
80	75	7	8.7	W. Koot. Pr. p	....	80	..	..	..
8	6	.	...	West. C. Flour	10	8	6	6	6
x96	70	6.50	...	Do. pref.	....	70	..	..	..
11	10	.	...	West. Grocers.	....	11	..	..	..
46	43	7	15.2	Do. pref.	....	46	..	..	..
x91	85	.	...	W. Steel Pr. p	....	91	..	..	..
x45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
x90	79	7	8.9	Do. pref.*	....	79	..	..	..
‡9	9	.	...	Whittall Can.	....	..	..	..	..
10	10	.	...	Windsor Hotel*	10	..	10	10	10
x73	71	6.50	...	Do. pref.	....	71	..	..	..
8	2½	.	...	Winnipeg Elec.	295	3¼	3⅜	2½	2½
x81½	49	.	...	Do. pref.	....	50	..	..	..
x46	36	.	...	Woods Mfg. p.	....	36	..	..	..
‡2½	1½	.	...	Zimmerknit	....	..	..	..	..
x7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

April 8, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Monarch Life	..	25
Beaver Lumber pfd.	..	80	North. Trust	..	24
Can. Amer. Tr. sh.	..	3½	Un. Gr. Growers	..	12½
City Dairy (Wpg.) pref. 7%	..	60	Reliance Gr. pf.	..	60
Corporate Steel c.	..	5	West Breweries	..	3
Cres.-Cream. pfd.	..	75	Fund. Tr. shs. "A"	..	3¼
Home Invest.	..	50	Do., "B"	..	3⅜
			Grouped Inc. Shs.	..	3.56

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
April 12, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.26	.40
Acadia Sugar pfd.	2.00	....
Acme Farmers Dairy pfd.	65.00	75.00
Agnew Surpass pfd.	72.00	....
Allens Coll. pfd.	30.00	....
Allens Lond. pfd.	31.00	....
Andian National Corp.	18.00	19.00
B.C. Pulp & Pap. com.	....	2.50
B.C. Pulp & Pap. 7% pfd.	10.00	....
Can. & Dom. Sugar c.	17.50	20.00
Canada Biscuit pfd.	....	8.00
Can. Machinery c.	3.00	5.00
Can. Mach. 7% pfd.	22.00	30.00
Can. Packers c.	10.00	12.00
Canada Packers 7% pfd.	69.00	73.00
Canada Starch pf.	65.00	71.50
Canada Tea pfd.	55.00	....
Canada Wire & Cable pfd. W.W.	80.00	83.00
Can. Celanese pf.	55.00	63.00
Can. Industries com. "A"	70.00	....
Can. Industries com. "B"	69.00	74.00
Can. Industries 7% pfd.	98.00	104.00
Can. West'house.	46.00	49.00
Chase, A. W. Units	34.00	37.00
Copeland Flour 6% pfd.	....	10.00
Dodge Mfg. "A" pfd.	7.00	....
Dodge Mfg. "B" com.	1.50	....
Dom. Foundries & Steel com.	8.00	9.25
Dom. Foundries & Steel pfd.	64.00	....
Dom. Mnfrs. pfd.	....	87.00
Dunlop Tire 7% pfd.	39.00	45.00
Eastern Car 6% pfd.	40.00	....
Fed. Grain pfd.	23.00	28.00
Goderich Elevator & Transit	13.00	14.25
Greening Wire 7% pfd.	80.00	84.00
Guard. Rlty. pfd.	30.00	40.00
Guelph Carpet pf.	70.00	75.00
Harding Carp. pf.	....	50.00
Inter City Bak. c.	40.00	48.00
Internat. Proprietaries "A"	....	23.00
Loew's London c.	.50	2.00
Loew's Lond. pfd.	3.25	4.25
M & P Stores pfd.	....	88.00
Massey Harris pf.	10.00	12.00
Morrow Screw Nut 7% pfd.	92.50	98.00
Mount Royal Htl. Scrip	.60	1.70
Mt. Royal Htl. c.	1.40	2.60
Mt. Royal Hotel 6% pfd.	11.50	14.00
Nat. Grocers c.	.50	1.50
Nat. Grocers 2nd 7% pfd.	37.00	43.00
Para. Oshawa c.	8.00	....
Prov. Paper pfd.	45.00	52.00
Rolland Paper pfd. W.W.	35.00	42.00
Standard Clay Prod. com.	20.00	25.00
Standard Fuel pfd. bonus	55.00	60.00
Supertest Petroleum "B" pfd.	15.00	....
Toronto Brick pf.	38.00	58.00
Toronto Carp. c.	....	115.00
Toronto Carpet 8% pfd.	....	90.00
Toronto Elevator 7% pfd.	66.00	71.00
Toronto Hous. c.	20.00	30.00
Un. Amuse. "A"	16.00	....
Western Grain pf.	13.00	18.50
Willards Choc. pf.	26.00	35.00
Wood Alexander & James pfd.	28.00	....

Insurance Stocks:	Bid	Asked
Br. Amer. Assce.	30.00	....
Can. Life Assur.	460.00	520.00
Canada Nat. Fire	16.00	19.00
Can. Fire Ins.	70.00	80.00
Capital Life 20% pd.	11.00	20.00
Confederation Life 20% pd.	155.00	170.00
Continental Life 20% pd.	55.00	60.00
Crown Life Ins.	100.00	....
Dominion Fire	90.00	115.00
Dominion Life 50% pd.	285.00	310.00
Dom. of Can. Gen. Ins.	170.00	195.00
Excelsior Life 30% pd.	80.00	90.00
Fidelity Ins. of Canada	....	70.00
Gt. West Life	250.00	298.00
Guarantee Co. of N. A.	250.00	....
Halifax Fire	10.00	13.00
Imperial Life	320.00	370.00
Manufac. Life	250.00	270.00
Monarch Life 10% pd.	20.00	23.00
National Life 25% pd.	110.00	127.00
Saskatchewan Life 10% pd.	....	17.00
Sovereign Life 25% pd.	....	20.00
Sun Life Assur.	420.00	500.00
Western Assur. c.	22.50	26.50
Western Life 20% pd.	8.50	14.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	175.00	....
Can. Gen. Investments Ltd.	3.90	4.50
Chartered Trust	85.00	93.00
Deb. & Sec. c.	....	30.00
Deb. & Sec. pfd.	....	47.00
Eastern Can. Sav. & Loan	115.00	135.00
Eastern Trust	140.00	165.00
Guelph & Ont. Inv. par $50	50.00	64.00
Investment Foundation Units	21.00	25.00
Lambton Loan & Savings	65.00	75.00
London & Western Trust	100.00	107.00
Midland Loan & Savings	15.00	....
Mtge. Disc. pfd.	2.50	3.95
Mutual Fin. pfd.	2.60	4.00
Mutual Fin. c.	....	4.50
Premier Trust	81.00	85.00
Sherbrooke Trust	110.00	125.00
Security Loan & Savings	105.00	120.00
Sterling Trust	....	89.00
Traders Fin. c.	....	3.50
Traders Fin. pfd.	29.00	38.00
Trusts & Guar.	60.00	65.00
Victoria Trust & Savings	171.00	....
Waterloo Trust & Savings	100.00	125.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	90.00	93.00
Calgary Pwr. pfd.	66.00	70.00
Can. West. Nat. Gas LH&P c.	18.00	22.00
Can. West. Nat. Gas LH&P pfd.	....	65.00
Can. Light & Pwr. com.	15.00	22.00
Gt. Lakes Power pfd.	6	79.50
N.B. Pwr. 1st pf.	35.00	49.00
N.B. Tel. com.	8.25	11.25
N.S. L&P pfd.	....	80.25
Ottawa LH&P 6½% pfd.	80.00	91.00

Recent London Quotations:

Brewer Distillers	2s. 4½d.
Can. & For. Sec.	3s. 9d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	20s.
Do., 5% pfd.	60s.
Internat. Holdings	$1½
Nfld. Pr. & Pap. deb. stock "B"	85
Trust & Loan of Can. (15s. pd.)	5s.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Alberta Wood Res. pref.	7%	1¾%	Apr. 1	Mar. 19
B.C. Telephone, 1st pref.	6%	1½%	Apr. 1	Mar. 15
Do., 2nd pref.	6%	1½%	May 1	Apr. 15
Do., ordinary	$8	$2	Apr. 1	Mar. 15
Beatty Bros., pref.	6%	1½%	May 1	Apr. 15
Borden's, com.	$3	75c	June 1	May 14
Belding Corticelli, pref.	7%	1¾%	June 15	May 31
Belding Corticelli, com.	7%	1¾%	May 2	Apr. 15
Canada Nor. Power	80c	20c	Apr. 25	Mar. 31
Can. Converters	$2	50c.	May 16	Apr. 30
Can. Dredge & Dock, pfd.	7%	1¾%	May 2	Apr. 15
Can. Industries c. "A"	$2.50	62½c	Apr. 30	Mar. 31
Do., extra	....	25c	Apr. 30	Mar. 31
Do., "B" com.	$2.50	62½c	Apr. 30	Mar. 31
Do., extra	....	25c	Apr. 30	Mar. 31
Cities Service, com.	30c	2½c	May 2	Apr. 15
Do.,	6% stk.	½% stk.	May 2	Apr. 15
Can. Bronze	$1.25	31¼c	May 1	Apr. 20
Do., pref.	7%	1¾%	May 1	Apr. 20
Calgary Power pref.	6%	1½%	May 2	Apr. 5
Disher Steel Cons. pref. 'A'	$1.50	37½c	May 2	Apr. 15
Dom.-Scottish Invest. pref.	$2	50c	May 1	Apr. 20
Dominion Motors	20c	10c	May 2	Apr. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Dominion Tar & Ch. pfd.	6½%	1⅝%	May 1	Apr. 6
Eastern Dairies	$1	25c	May 2	Mar. 31
Foreign Power Secs., pfd.	6%	1½%	May 16	Apr. 30
Foundation Co.	50c	12½c	May 14	Apr. 30
General Foods Corp. c.	$3	75c	May 2	Apr. 15
Humberstone Shoe	$2	50c	May 2	Apr. 15
Hollinger Cons. Gold	65c	5c	Apr. 21	Apr. 7
Hamilton Bridge, pref.	6½%	1⅝%	May 2	Apr. 15
Inter. Utilities, pref.	7%	1¾%	May 2	Apr. 15
Do., pref.	$3.50	87½c	May 2	Apr. 15
Inter. Nickel, pref.	7%	1¾%	May 2	Apr. 2
Imperial Bank	12%	3%	May 2	Mar. 31
McLennan, McFeely & Prior pfd.	$6.50	$1.62½	Apr. 1	Mar. 26
MacKinnon Steel pref.	7%	1¾%	May 2	Apr. 15
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
Nor. Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
Neon Prod. of West. Can. pfd.	$3	75c	May 1	Apr. 15
Power Corp., com.	$2	50c	May 20	Apr. 30
Penmans	$3	75c	May 1	Apr. 30
Do., pref.	6%	1½%	May 1	Apr. 30
Russell Motor Car	2%	½ of 1%	May 2	Apr. 15
Do., pref.	7%	1¾%	May 2	Apr. 15
Service Stations pref.	$3	75c.	May 1	Apr. 15
Do., pref. 'A'	$3	75c.	May 1	Apr. 15
Simpson, Robt., pref.	6%	3%	May 2	Apr. 15
Southern Can. Power, com.	$1	25c	May 16	Apr. 30
Steel of Canada	$1.75	43¾c	May 2	Apr. 7
Do., pref.	$1.75	43¾c	May 2	Apr. 7
Teck Hughes	60c	15c	May 2	Apr. 15
Toronto Elevators, pfd.	7%	1¾%	Apr. 15	Apr. 1

Dividends Passed or Deferred:
Granby Cons. Mining. com., May 2, passed. Last paid 12½c. Feb. 1, 1932.

Dividend Rate Reduced:
Dominion Motors 10c. May 2. Reduced from 40c. to 20c. per annum.
Foundation Co. of Canada, 12½c. May 14. Reduced from $1 to 50c. per annum.
Humberstone Shoe, 50c. May 2. Reduced from $2.40 to $2 per annum.
Dominion Scottish Investment, pref. 50c. May 1. Reduced from $2.50 to $2 per annum.
Service Stations, pref. and "A" pref. 75c. May 1. Reduced from $6 to $3 per annum.

Extra Dividends:
Can. Industries com. "A" and "B" 25c. April 30.

Winnipeg Grain Prices

Week to April 12

Crop Year from Aug. 14 High	Low		Open Apr. 6	High for week	Low for week	Close Apr. 12
		Wheat				
.76¼	.55⅛	May	.61¼	.65¼	.60¼	.65
.77⅞	.60	July	.63¾	.67	.62¼	.66⅛
.72¾	.62¼	Oct.	.65⅜	.69¼	.64⅝	.69
		Oats				
38	.28	May	.30⅜	.33	.30⅜	.32⅞
.37½	.30¼	July	.31⅜	.33¼	.31⅜	.33¼
.34	.32⅞	Oct.	...	.34	.32⅞	.34
		Barley				
.47⅞	.32¼	May	.41¼	.42⅜	.40⅜	.42¼
.45¼	.38¼	July	.41¾	.42⅞	.41	.42¾
.43½	.38½	Oct.	.40⅜	.40⅞	.38⅜	.40⅞
		Flax				
1.21	.97½	May	1.00¾	1.03	.99⅞	1.03
1.16½	.99	July	1.02¾	1.05¼	1.01⅞	1.05¼
1.09¼	1.02½	Oct.	...	1.07½	1.03¼	1.07½
		Rye				
.59⅛	.32¼	May	.48¼	.49¼	.46⅞	.49⅞
.59	.43⅜	July	.49¾	.50¾	.47⅝	.50⅞
.55⅝	.48	Oct.	...	.52	.49⅛	.52

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to April 12

High *to date	Low		Close Apr. 5	High for week	Low for week	Close Apr. 12
		Wheat				
.72	.53¾	May	.58¼	.61	.57¼	.61
.64¼	.53¾	July	.60¼	.63	.59¼	.63
.66¼	.59	Oct.	.62¼	.65	.60¾	.65

*Since trading opened March 3, 1931.

Active Current Bond Prices

April 11, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100½	101.	[illegible]
Dominion of Canada 5½/34	99½	100½	[illegible]
Dominion of Canada 5/43	96.	97.	[illegible]
Dominion of Canada 4½/46	91.	92.	[illegible]
Dominion of Canada 4½/56	88½	89½	[illegible]
Dominion of Canada 5/36	97.	98.	[illegible]
Dominion of Canada 5/41	96.	97.	[illegible]
C. N. R. (Dom. of Can. Guar.) 4½/51	86½	87½	[illegible]
C. N. R. (Dom. of Can. Guar.) 4½/55	89½	90½	[illegible]
C. N. R. (Dom. of Can. Guar.) 5/54	92.	93.	[illegible]
C. N. R. (Dom. of Can. Guar.) 5/69	93.	94.	[illegible]
Province of Ontario 5/48	92.	94.	[illegible]
Province of Ontario 5½/47	99.	101.	[illegible]
Province of Ontario 6/35	99.	101.	[illegible]
Province of Ontario (Hydro) 4½/70	89.	91.	[illegible]
Province of Quebec 4½/56	83.	85.	[illegible]
City of Montreal 6/41	100.	102.	[illegible]
Abitibi Power & Paper 5/53	35.	40.	[illegible]
Argentine Gov't. (Ser. B) 6/58	53.	*54.	...
Beauharnois Power 6/59	40.	45.	...
Bell Telephone Co. of Canada 1st, 5/57	98.	101.	[illegible]
Brazil, U. S. of, Ext. S. F. 6½/57	21.	22.	...
British Columbia Power 5/60	76.	83.	[illegible]
British Columbia Power 5½/60	86.	89.	[illegible]
British Columbia Telephone 5/60	89.	93.	[illegible]
Calgary Power 5/60	80.	85.	[illegible]
Canada Cement 1st Mtge. S. F. 5½/47	85.	90.	[illegible]
Canada Northern Power Corp. 5/53	73.	78.	[illegible]
Canada Steamship Lines 6/41	35.	40.	[illegible]
C. P. R. Collateral Trust 5/54	79.	84.	[illegible]
C. P. R. Secured Notes 4½/44	76.	80.	[illegible]
Chile Republic Ext. S. F. 6/60	10.	11.	...
Columbia Republic Ext. S. K. 6/61	20.	21.	...
Davies, Wm. 6/42	77.	82.	[illegible]
Dominion Canners 6/40	96.	100.	[illegible]
Dominion Square Corporation 6/48	50.	60.	[illegible]
Dominion Tar & Chemical 6/49	78.	82.	[illegible]
Dominion Textile 6/49	97.	102.	[illegible]
Duke Price Power 1st, 6/66	70.	75.	[illegible]
Eastern Dairies, Ltd., Conv., 6/49	87.	92.	[illegible]
Eaton, T. Realty 5/49	80.	85.	[illegible]
Famous Players 6/48	75.	80.	[illegible]
Federal Grain 6/49	70.	75.	[illegible]
Foreign Power Securities Corp. 6/49	60.	75.	[illegible]
Fraser Companies 6/50	20.	30.	[illegible]
Gatineau Power, 1st Mtge. 5/56	72.	76.	[illegible]
Gatineau Power, S. F. Debs. 6/41	68.	71.	[illegible]
General Steel Wares 6/52	30.	40.	[illegible]
Howard Smith Paper Mills 5½/53	62.	65.	[illegible]
Harris Abattoir 6/47	85.	90.	[illegible]
Manitoba Power, 1st S. F. 5½/51	60.	70.	[illegible]
Maple Leaf Milling 5½/49	60.	65.	[illegible]
Massey-Harris 1st Mtge. 5/47	60.	70.	[illegible]
MacLaren Quebec Power 5½/61	75.	82.	[illegible]
Montreal Coke, 1st S. F. 5½/47	93.	98.	[illegible]
Montreal Island Power 5½/57	88.	93.	[illegible]
Montreal Light, Heat & Power 5/51	97.	101.	[illegible]
Montreal Tramways 1st Coll. Trust 5/41	90.	95.	[illegible]
Montreal Tramways Gen. Ref. 4½/55	70.	75.	[illegible]
Montreal Tramways 5/55	75.	80.	[illegible]
Moodie, J. R. 6/48	85.	90.	[illegible]
Ontario Power Service 5½/50	55.	60.	[illegible]
Ottawa Valley Power 5½/70	89.	94.	[illegible]
Power Corporation of Canada 4½/59	60.	70.	[illegible]
Price Bros. 1st S. F. Ser. "A" 6/43	50.	60.	[illegible]
Quebec Power 1st Mtge. Coll. S. F. 5/68	80.	85.	[illegible]
Shawinigan Water & Power 4½/70	70.	75.	[illegible]
Shawinigan Water & Power 5/70	75.	80.	[illegible]
Simpsons 6/49	70.	80.	[illegible]
Southern Canada Power 1st 5/55	91.	96.	[illegible]
United Securities Coll. Trust 5½/52	80.	90.	[illegible]
West Kootenay Power 5/56	80.	89.	[illegible]
Windsor Hotel 6½/43	87.	93.	[illegible]
Windsor Hotel 6/47	75.	85.	[illegible]
Winnipeg Electric 5/35	90.	100.	[illegible]

Listed Bond Quotations

Week Ending April 11

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1932 High	Range 1932 Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	46	[illegible]
Asbestos	5	1942	...	49	...	...	65½	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	[illegible]
Do., gen. mtge.	6	1956	...	†14	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	[illegible]
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	†9½	...	...	7	7
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	[illegible]
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.15	†100	...	...	100	[illegible]
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	...	...	...	*98½	[illegible]
McNish	6	1948	...	†2.00	...	...	*3.25	2.25
Mex. L. & Pr.	5	1940	...	...	...	...	[illegible]	79½
Mont. Pr. debs.	3	1939	...	...	40½	40	40½	40
Mont. Tr. 1st mtge.	5	1941	6.12	91	...	...	93½	[illegible]
Mont. Tr. "A"	5	1955	6.82	76	79	76½	80½	[illegible]
Mont. Tr. G. & R. "B"	5	1955	6.75	76	...	...	79½	78½
Do., "C"	4½	1955	5.64	...	...	...	*85	84
Do., "D"	5	1955	6.62	76	...	...	81	78
N. S. Steel	5	1959	...	...	...	...	*62½	[illegible]
Ogilvie Flour "A"	6	1932	6.00	100	100	...	100	...
Do., "B"	6	1932	...	100	...	...	‡100½	100
Do., "C"	6	1932	6.00	100	...	...	100	...
Ont. Steel	6	1943	5.94	96½	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	...	102½	...	...	*107½	106½
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	...	†91	...	...	*99½	98½
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.98	103.50	....	....	107.00	105.00
Victory Loan	5½	1933	4.72	100.60	101.00	100.63	101.25	100.25
Do.	5½	1934	5.50	99.75	100.00	99.50	100.35	99.25
Do.	5½	1937	4.24	105.75	....	....	108.15	104.00
Do., refund	4½	1940	5.40	93.00	....	....	94.60	91.50
Do., refund	5	1943	5.40	96.00	96.60	....	98.25	[illegible]
Do., refund	4½	1944	5.42	91.00	....	....	92.25	[illegible]
Do., refund	4½	1946	5.33	91.00	....	....	92.25	[illegible]
Do., renewal	5½	1932	3.63	100.85	100.25	....	100.60	[illegible]
Conversion Loan	4½	1956	5.15	88.50	....	....	88.50	[illegible]
Do.	4½	1957	5.33	....	88.50	....	89.50	[illegible]
Do.	4½	1958	5.12	91.25	91.75	....	92.75	[illegible]
Do.	4½	1959	5.08	90.25	....	....	92.25	[illegible]
Nat. Service Loan	5	1936	5.56	97.25	98.50	97.50	98.50	[illegible]
Do.	5	1941	5.46	96.00	97.00	96.50	98.25	[illegible]

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd., Canada Permanent Bldg., Toronto, Ont.
April 11, 1932

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 Oct.	78.40	6.15
Alberta	5	1 July, 1948	1 July	89.85	6.25
Alberta	6	1 Apr., 1936	1 Oct.	96.00	7.15
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.00	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.60	6.00
British Columbia	6	15 Aug., 1941	15 Aug.	97.75	6.32
Manitoba	4	1 July, 1947	1 July	77.85	6.25
*Manitoba	5	2 Dec., 1959	2 June	86½	6.00
Manitoba	5	15 June, 1943	15 June	89.85	6.25
*New Brunswick	4	1 June, 1948	1 June	84.35	5.45
*New Brunswick	4½	15 June, 1936	15 June	97.25	5.48
New Brunswick	6	1 Jan., 1936	1 July	100.90	5.75
*Nova Scotia	4½	15 Nov., 1948	15 May	89.55	5.45
Nova Scotia	5	1 May, 1943	1 May	93.75	5.75
*Nova Scotia	6	1 Nov., 1936	1 May	102.40	5.45
*Ontario	4½	1 Sept., 1944	1 Sept.	93.50	5.20
Ontario	5	15 Oct., 1948	15 Apr.	95.00	5.45
Ontario	6	2 May, 1936	2 May	100.75	5.78
P. E. I.	4	1 Apr., 1939	1 Oct.	89.20	5.80
P. E. I.	4½	1 Oct., 1944	1 Oct.	88.55	5.80
*Quebec	4½	1 May, 1961	1 May	88.50	5.00
Saskatchewan	4½	1 Oct., 1944	1 Oct.	83.05	6.50
Saskatchewan	5	1 Oct., 1950	1 Oct.	84.00	6.50
Saskatchewan	6	1 Feb., 1936	1 Aug.	96.00	7.00
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	92.55	5.50
*Toronto	4½	1 Jan., 1955	1 July	87.05	5.50
*Vancouver	5	15 Jan., 1970	15 July	83.80	6.10
Winnipeg	5	1 Mar., 1944	1 Sept.	89.55	6.25
*Edmonton	5½	1 Apr., 1947	1 Oct.	85.95	7.00
Calgary	5	1 Jan., 1943	1 July	84.85	7.00
Halifax	6	1 July, 1951	1 July	101.15	5.90
Saint John	5	15 Dec., 1950	15 June	89.95	5.90
Regina	4½	1 July, 1950	1 July	73.45	7.10
Victoria	5	21 July, 1945	21 July	87.88	6.35
Quebec	5	1 June, 1948	1 June	92.10	5.75

*New York payment.

Stocks With Minimum Prices

Can. Canners, c.	8	Central Can. Loan	295
Do., 1st pref.	80	Economic Invest.	32
Do., convert. pfd.	9	Huron & Erie	139
Dominion Bridge	27	Do., 20% paid	23
East. Steel, com.	15	Landed Banking	145
Do., pref.	97	National Trust	245
Mont. Light, Heat	36	Ontario Loan	114½
Nat. Breweries	24	Real Estate Loan	105
Do., pref.	31	Tor. Gen. Trusts	210
Ogilvie Milling	185	Tor. Mortgage	105
Ottawa L. H. & Pr.	100	Union Trust	95
Power Corp.	36½	**Banks**	
Price Bros.	25	Banque Canadienne	155½
Do., pref.	70	Bank of Commerce	186
Shawinigan Power	33	Dominion Bank	189
Weston's, com.	38	Imperial Bank	188
Do, pref.	75	Bank of Montreal	215
Windsor Hotel	10	Bank of N. S.	269
Trust and Loan		Royal Bank	211
Canada Perman.	185	Bank of Toronto	193

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

ASBESTOS CORP. MAKES FURTHER CUTS IN ASSETS

Property Account Written Down Amount of $4,000,000

LOWER LOSS IN 1931

Pro Forma Balance Sheet Gives Position Under Proposed New Structure

From Our Own Correspondent

MONTREAL.—The financial statement of Asbestos Corp. for 1931 is featured by a reduction in property account of over $4,000,000, lower bank loans and an operating loss of $150,341 compared with a loss of $534,404 in the previous year. After all charges, there was a net deficit in 1931 of $879,581 and a deficit of $1,646,805 was brought forward into the current year. In addition to the regular balance sheet the report contains a pro forma balance sheet as at January 31, 1932, after giving effect to the proposed plan of reorganization.

Col. Robert F. Massie, president of the company, points out that Canadian exprts of asbestos declined 32 per cent last year and reduction in shipments of Asbestos Corp. was about 30 per cent. He states, however, that despite the decreasing volume of business and lower prices, increased efficiency, lower mining and milling costs enabled the company to show a smaller loss on operations last year, including expenditures on betterments, stripping and developments.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931 $	1930 $
Prev. bal.	d987,906	148,137
Adj. pr. years	220,682	92,958
Total	d767,223	241,096
Oper. loss	150,341	534,404
Less int. rec.	39,789	61,431
Int. paid or accr.	469,028	456,029
Depreciation	300,000	300,000
Net deficit	879,581	1,229,002
Deficit forward	1,646,805	987,906

d—Deficit.

The balance sheet as at December 31, 1931, shows current liabilities of $1,582,442 against current assets of $1,198,111, leaving an adverse excess of $384,331. This compares with a net working capital of $139,961 at the end of 1930.

Property account has been written down from $18,851,364 to $14,349,227, a figure which has been cut in half again in the pro forma balance sheet. Other assets include inventories down $135,000 at $785,059; accounts receivable down $26,000 at $181,181 and cash up $19,000 at $37,386. Investments at $194,483 compare with $325,073 at the end of the previous year.

Bank Loans Lower

In liabilities, bank loans are down $195,000 at $605,000. Accounts payable are up $5,000 at $185,290 and accrued interest, which includes defaulted payment on funded debt, totalled $767,803 against $340,548. A reserve for contingencies and taxes of $156,280 has been eliminated in the present report.

During the year the bonded indebtedness was reduced by $241,662 to a total of $7,242,479. Of the first mortgage bonds there was redeemed $106,300, leaving $2,361,000 outstanding; general mortgage bonds were reduced by $64,400 to $4,132,300 and underlying bonds were redeemed to the extent of $70,962, leaving outstanding $749,179.

The 200,000 shares of no par common stock, formerly carried at $5,000,000 are now carried at $1,000,000, the difference of $4,000,000 having been written off property account.

The report states that a net balance of $328,125 receivable in connection with sale of Etchemin Power Co. stock is not carried as an asset in the balance sheet.

Pro Forma Balance Sheet

The pro forma balance sheet as of January 31, 1932, indicates the effects of the proposed reorganization. Total assets are shown at $8,520,395 compared with $17,281,321 at the end of the year. The major change is in property account which again has been written down by $7,300,000 to $7,017,810.

The largest change, of course, is effected in liabilities, where the new capitalization is given effect. Preferred stock and first mortgage bonds have disappeared and the new common stock totalling 101,779 no par shares, together with surplus is carried at $2,275,000, of which amount $1,000,000 is to be attributed to surplus.

Following is the pro forma balance sheet as at January 31, 1932:

ASSETS	
Government bonds	$194,480
Inventories	752,204
Accounts receivable	133,259
*Sundry receivables	196,875
Cash	98,201
Miscellaneous inv.	3
Total current	$1,375,293
Trustees	51,202
Deferred	76,089
Properties	7,017,810
Totals	$8,520,395

*Amount receivable from Shawinigan Power Company re sale of Etchemin Power Company, secured by notes and bonds.

LIABILITIES	
Bank loans	$500,000
Accounts payable	216,719
Reorganizing expenses	46,318
Accrued liabilities	6,000
Accrued interest	25,293
Underlying bonds on prop.	747,179
First mtge. bonds unissued	1,500,000
General mortgage	2,361,000
Total public liabilities	3,901,505
Deprec. and depl. reserve	2,343,889
*Capital and surplus	2,275,000
Total	$8,520,395

*Represented by 101,779 no par value common shares. Proportion of capital to be attributed to common, $1,275,000; to be attributed to surplus, $1,000,000.

Remarks to Shareholders

In his remarks to shareholders Col. Massie, president of the company, said in part:

"Compared with 1930 the working time for 1931 decreased 55.1 per cent, due to the lessened demand for asbestos; development work was continued in proportion to the ore requirements, over 4,400 feet of underground sinking, drifting and raising being done which was absorbed into costs. Even in the face of the decreasing volume of business and lower prices your directors are able to report that due to increased efficiency, lower mining and milling costs, the loss from operations for the year 1931, including expenditures on betterments, stripping and development, was approximately some $384,000 less than the loss for the year 1930.

"The revision of the capital structure will materially reduce the burden of fixed charges and place your corporation in a more favorable position to continue effective operations until the return of normal business conditions under which your corporation should be able to operate its mines on a profitable basis."

SAINT JOHN PORT DOES WELL IN 1931

Traffic Volume Down Only 10% from Preceding Year

From Our Own Correspondent

MONTREAL.—Co-incident with the publication of the Gibb report, Saint John Harbor Commissioners have issued their report on operations in 1931. Considerable space is devoted in the report to the damage caused by the fire last June and the steps taken to have the new facilities ready in time for the opening of the winter season.

In respect to the volume of traffic, the Commissioners report that notwithstanding the continuance of the world-wide depression, the total import and export tonnage for 1931 was only about 10 per cent below the figures for 1930. Tonnage of grain, bananas, gasoline, potatoes and general merchandise was slightly above that of the previous year, while there was a decrease in the other traffic. Mention is made of the coastwise services, West Indies trade, cattle shipments, fertilizer and grain trade.

During the year Frontenac Oil Refineries leased the site at Courtenay Bay, alongside the Irvine Oil Co. They erected tanks and were in full operation during the major portion of the year. There are now three oil companies in the port, fully equipped to handle fuel oil, as well as the lighter oils and gasoline, namely, Imperial Oil, Frontenac Oil Refineries, and Irvine Oil.

The report gives considerable statistical data on the traffic of the port. Import tonnage last year amounted to 596,596 and export tonnage 684,081. The number of sea-going vessels arriving at the port last year was 465 with a tonnage of 1,263,978. This compared with 512 vessels, with a tonnage of 1,452,180, in the preceding year.

EAST CREST OIL CO. HAS $57,695 PROFIT

Five Months Statement Gives But Little Clue to Earnings

The interim report of East Crest Oil Co. for the five months' period ended February 29, shows a profit of $57,695 after write-off for depreciation totalling $11,838. Total income was $91,767 including $23,829, the estimated value of the unsold naphtha on hand.

The company's balance sheet showed current assets of $16,048, while current liabilities totalled $124,767, principally drilling obligations.

H. S. Price, managing director of the company, observed that due to the falling demand for gasoline, the Imperial Oil purchases of crude naphtha had dropped from 5,550 barrels in July, 1930, to 2,700 barrels in March, 1932. The total production since inception of operations in 1930 was 157,802 barrels. The company's No. 1 well had encountered serious difficulties while the No. 2 had been abandoned on account of a crooked hole. No. 2-A well was said to be one of the best in Turner Valley, while the No. 3 well, completed in June, 1931 was also a good producer.

Reference was made to conservation plans being considered in Alberta which, Mr. Price observed, would have the effect of delaying immediate returns, but on the other hand would lengthen the life of the wells and provide greater proportionate returns, especially if some market is found for the gas which under present conditions is wasted.

Montreal Exhibition Rentals Satisfactory

From Our Own Correspondent

MONTREAL. — Rentals in the Stadium Building of the Montreal Exhibition Co. are satisfactory; it is understood that all space is leased 100 per cent. A certain amount of revenue is derived from this source though it is the baseball attendance on which the company depends for its major earnings.

At the moment there is little activity at the company's property; a slack season exists between the closing of the rink and the opening of the baseball season. Plans are being laid for the coming summer which include the broadcasting of all games played away from home by the Montreal Baseball Club.

Weather is a vital factor in revenue derived from ball games; last year the company was unfortunate in this respect. In the fiscal year ended October 31, 1931, a deficit of $3,672 was reported compared with a profit of some $8,000 in the previous year.

C. W. Lindsay Absorbs Quebec Music Dealer

From Our Own Correspondent

MONTREAL.—C. W. Lindsay Co. has acquired the firm of Gauvin and Courchesne, music dealers in Quebec City; the agreement to become effective May 1. The Quebec firm has been in business for the past 15 years and its absorption is expected to lead to improved distributing facilities for C. W. Lindsay Co. in the territory served.

Financial statement of the company will be released shortly and is expected to show earnings substantially lower than those of the previous year. Sales in the fiscal year ended February 29, 1932, were about 33 per cent lower than in the preceding period.

No improvement has become apparent during the current year. Collections are holding up well but sales are not impressive.

ASSOC. BREWERIES COVERS ALL CHARGES

Report Likely to Show Downward Revision of Investments

From Our Own Correspondent

MONTREAL.—Financial statement of Associated Breweries of Canada which will be published shortly is expected to show preferred dividends covered and a profit equal to around $1 a share on the common stock. In 1930 the company earned its 7 per cent preferred dividend over 5 times and common share earnings were $1.89.

The balance sheet as at December 31, 1931, will reveal substantial downward revision of investments. At the end of 1930 these comprised Dominion of Canada bonds at $205,060; listed securities at a book cost of $443,262 (market value at that date $339,701) and hotel loans and other investments of $615,693. Liquid position was strong with current assets equal to 25 times current liabilities and a working capital of $803,256.

This liquid position has aided the company in its present expansion plans. Arrangements have been completed to enter the British Columbia market and work has been started on an addition to the plant of Vancouver Malt and Sake Brewing Co. recently purchased by Associated Breweries. Production is looked for in July.

Pool Interim Payment Releases Another $150,000

From Our Own Correspondent

WINNIPEG. — Each of the three provincial wheat pools has just made an interim payment of 10 cents a bushel to members who pooled wheat of the 1931 crop. The initial payment made when wheat was delivered to the pools was on the basis of 35 cents a bushel on the basis of No. 1 Northern wheat at the head of the lakes, so the interim payment just made brings payment so far made to the basis of price of 45 a bushel.

The total amount involved is understood to be somewhat in excess of $150,000, a contrast to the former days when sending out cheques for an interim payment meant the release of $15,000,000 or more to pool members. Pool members were released from their contract obligations to pool their wheat grown in 1931, and while evidently well over 95 per cent of them, because of low prices, chose the open market method of selling, a limited number continued on the pool system which was made alternative. While official statistics of the quantity pooled have not been published, the Saskatchewan pool made it known that the quantity in that province was close to 1,000,000 bushels, and Alberta and Saskatchewan together are believed to have had something less than half that quantity.

As each pool organization is conducting its own business separately, and not making use of the Central Selling Agency, the final results in each province will hardly be uniform, although market conditions have been such as to make any great discrepancy in results unlikely.

One of Every Seven Dollars Paid for Heart Claims

Diseases of the heart, accidents, cancer, pneumonia, tuberculosis and chronic nephritis, accounted for 60 per cent of the $153,000,000 paid to beneficiaries or policyholders during the year 1931 by the Metropolitan Life.

Nearly $22,000,000 was paid on account of heart disease, or one dollar out of every seven dollars paid out in 1931.

All accidents, considered as a group, accounted for one dollar out of every eight dollars disbursed in 1931 or $18,500,000. Automobile accidents accounted for more than one third of the total disbursement for accidents.

Claim payments on account of cancer, exceeded 10 per cent of the total amount disbursed. For pneumonia, exactly one-twelfth of the total in claim payments was disbursed.

Accident Insurance Planned For Regina School Children

A group accident insurance plan for public school children is being planned by the Regina Public School Board.

Two plans are under consideration. The first would give a nine-hour coverage each day for 50 cents per year, and the second would give a twenty-four hour coverage for $1 per year. The parents would be responsible for the premiums.

FARM LOANS IN ONTARIO INCREASED BY $7,900,000

(Continued from page 9)

was one of "good crops and very, very poor prices." Faced with returns cut in half or less "and yet little decrease in the things they have to pay for, farmers have yet carried on with commendable courage and steadiness."

The board makes no predictions as to the future. Loans have been made only on 11,200 farms out of 200,000 farms in the province.

The report comments that if half of these farms are free of mortgage it would be a very good showing. The volume of loans is therefore expected to increase as the board has only lent on 11 per cent of mortgaged farms. A large part of its business in the past has been to enable farmers to pay off existing mortgages as they mature by these loans at a lower rate. It is stated that the last two years have created difficulties "which it will take years of patient work and thrift to overcome."

Struggling Under Heavy Loads

"Hundreds of farmers," says the report, "are struggling with loads of debt which would daunt the ordinary man. In many cases, these debts were not the result of thriftlessness or carelessness but a combination of circumstances which could not be foreseen. It will be the aim of this board to try to help farmers work through these difficulties where it can be done on sound business lines. The future trend of general economic conditions will no doubt have a considerable bearing on how soon and how completely success will be achieved. Some will fall by the wayside. When the 'overhead' of debt becomes too great for the individual and the property, economic law and common sense both call for a fresh start in the interest of all concerned. This does not necessarily involve serious losses for this board. Even our weakest accounts will compare favorably with the stock certificate 'assets' of some of our financial institutions. . . .

"The statement of the Short-Term Loan Associations shows an increased demand for the accommodation these provide. New loans to the extent of $51,535 were passed by the directors of the associations and $19,516 was paid off principal of old loans. Interest payments were met with the exception of about $2,000. The total now outstanding is $171,802. There is no doubt good security behind all these loans."

Operations in Brief

Actual bonds and debentures outstanding on October 31, 1930, were $30,200,000, and $7,900,000 were issued during the year while $1,700,000 were paid off, leaving on October 31, 1931, net of $36,400,000, according to the mortgage equity and surplus account. Equity of the board in mortgages on October 31, 1930, was $30,419,869 and advances during the year were $8,041,838 while repayments were $2,034,179, leaving equity on October 31, 1931, at $36,427,529.

The balance sheet of the same date shows loans secured by mortgage at $35,450,646, the interest accrued to date at $2,151,946, insurance premiums paid at $22,305, making a total of $37,624,898 as assets of the board in this respect in addition to $584,775 cash and $56,000 of miscellaneous items. Liabilities show debentures at $36,400,000 with accrued interest at $1,072,967 as the chief liability, insurance premiums collected at $1,774 and suspense items of $124,212.

FRONTENAC OIL SHARE EARNINGS GAIN IN 1931-32

(Continued from page 9)

the McColl books and $65 a share paid for it.

McColl-Frontenac bought 120,485 outstanding common shares of the Frontenac Oil Co. and these shares added to the 379,515 sold at $17.75 totalled 500,000 shares now outstanding.

In answer to questions as to who received the $65 a share paid for the old McColl Co., Mr. Irwin said that J .W. McColl and other people were the individual holders who received the money.

Witness was questioned as to how the brokers, who paid $17.75 a share for McColl-Frontenac common stock, were able to offer it as a bonus with the preferred stock of four shares for each ten preferred shares sold. Hon. Mr. Ralston asked if the brokers sold on a sufficient spread to enable them to give away four shares of common with every ten shares of preferred and the answer was, "I presume so." Mr. Irwin stated that the brokers underwrote bonds, preferred and common stock and paid in cash $8,890,000 for the common stock, $8,205,300 for the preferred stock and $9,780,000 for the bonds in January, 1928. This covered 500,000 shares of common stock and 82,053 shares of preferred stock and $10,000,000 of bonds.

Bubbled Better in 1928

Mr. Irwin said, "at the time this issue was made, things were bubbling a darn sight better than they are now, and they paid us par for the preferred and for the common about $17.75. The McColl stock was selling shortly after at $25, $30 and $35. Undoubtedly that is where the brokers made their money, the difference between $17.75 they paid us and what they sold it at."

Western Gold Production

According to the preliminary estimates of gold production for 1931, the Yukon Territory, Manitoba and British Columbia accounted for some 291,000 ounces, or nearly 11 per cent of the total production of the country.

Week's Canadian Quotations—Continued

Foreign Exchange

	New York Funds High (Premium) %	New York Funds Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
April 6	10½	10½	...	...
April 7	10½	10½	1-32	1-32
April 8	10½	10½	3-64	1-32
April 9	10½	10 11-16	3-64	1-32
April 11	10½	10½	3-64	1-32
April 12	10 13-16	10½	3-64	1-32

STERLING, FRANCS AND LIRE
Close Demand in New York

	Sterling	Francs	Lire
April 6	3.80½	3.94 9-16	5.16
April 7	3.76½	3.94½	5-16
April 8	3.78½	3.94½	5.15
April 9	3.79½	3.94½	5.14½
April 11	3.79½	3.94½	5.14½
April 12	3.79½	3.94½	5.14

FOREIGN EXCHANGE

Par		Mar. 29	Apr. 5	Apr. 12
5.26	Italian	5.75	5.72½	5.69½
23.80	German	26.38½	26.34	26.30½
13.90	Belgian	15.47	15.48½	15.50
49.80	Japanese	37.70	37.14	36.96

Mining Stock Quotations

Week Ending April 11

Par Val.	Range High	1932 Low	Company	Sales	Close Apr. 4 (or last)	High for week	Low for week	Close April 11
1	.05½	.04	Abana	500	.05½	.05	.05	.05
1	.02	.01	Aconda	......	.01	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.02	Alexandria	42,200	.03½	.03½	.02	.02
1	.01½	.00¾	Algonquin	21,500	.00¾	.00¾	.00¾	.00¾
1	.01	.00½	Amity C.	......	.00½	.....	.....	.....
No	.22	.10	Amulet	2,390	.14	.13	.10	.10
1	.00½	.00½	Apex	6,000	.00½	.00½	.00½	.00½
1	.02½	.01	Area	5,000	.01½	.02	.01½	.02
No	.03	.01½	Arno	38,800	.02½	.02½	.01½	.02
1	.02½	.02	Astoria Rouyn	......	.02½	.....	.....	.....
1	.07	.03½	Bagamac	5,000	.05	.05	.04	.04
1	.00¾	.00½	Baldwin	1,500	.00¾	.00¾	.00½	.00¾
1	.12	.06	Barry Holl. new	3,150	.07½	.06½	.06	.06½
No	1.00	.75	Base Metals	......	.80	.....	.....	.....
No	.12	.04	Bidgood	128,025	.07	.07½	.05	.05½
1	.16½	.07	Big Missouri	17,500	.09	.10	.07	.07
1	.05½	.02½	Bobjo	10,500	.04½	.04½	.04	.04
1	.08	.06	Brett Trethewey	9,350	.06½	.06½	.06	.06
No	.03	.01½	Brownlee	20,000	.02	.02	.01½	.02
1	.00¾	.00½	Buckingham	......	.00¾	.....	.....	.....
No	.36	.22½	Buffalo Can.	46,600	.35	.36	.32½	.34
No	.02½	.01	Bunker Hill	......	.01	.....	.....	.....
5s	.50	.50	B'Wana McKubwa	......	.50	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.03	.02	Canam Metals	500	.03	.02	.02	.02
1	.04	.01½	Can. Kirkland	......	.04	.....	.....	.....
1	.09	.03½	Canusa	17,500	.04½	.04	.03½	.03½
No	.02½	.00¾	Capital Rouyn	29,000	.00¾	.00½	.00½	.00½
1	.06	.02½	Cartier Malartic	......	.06	.....	.....	.....
1	.15	.12	Castle Trethewey	1,500	.13	.12½	.12½	.12½
1	.08	.05	Cen. Manitoba	2,500	.06	.06	.05½	.05½
1	.07½	.04	Cen. Patricia	500	.05	.05	.05	.05
No	.07½	.04	Chibougamau Pros.	500	.05	.04	.04	.04
No	.02	.01	Clericy	26,100	.01½	.02	.01½	.02
5	3.00	1.25	Coast Copper	200	1.40	1.50	1.25	1.25
1	.02	.01	Cobalt Contact	......	.01½	.....	.....	.....
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.08	.05	Columario	2,000	.06	.05	.05	.05
5	.80	.75	Coniagas	......	.80	.....	.....	.....
No	.40	.28	Coniaurum	500	.30	.28	.28	.28
25	75.00	38.00	Cons. Smelters	2,863	46.00	45.00	38.00	40.00
1	.01½	.01½	Crown Reserve	......	.01½	.....	.....	.....
No	12.50	9.25	Dome Mines	5,007	10.00	10.25	9.75	9.80
No	.10	.05	Dom. Explorers	8,800	.06	.06½	.05	.05½
1	.01	.01	Don Rouyn	......	.01	.....	.....	.....
1	1.55	1.05	Eldorado	16,125	1.25	1.35	1.23	1.30
No	1.05	.70	Falconbridge	1,700	.72	.80	.70	.75
1	.04	.02	Federal	10,000	.02½	.02½	.02½	.02½
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.01½	Gem Lake	35,000	.02	.02½	.01½	.01½
1	.02½	.01½	Goldale	3,000	.02	.01½	.01½	.01½
10	.11	.10	Goldfield	......	.10	.....	.....	.....
1	.00½	.00½	Gold Hill	2,000	.00½	.00½	.00½	.00½
1	.04	.02½	Goodfish	......	.03	.....	.....	.....
1	.01	.00½	Graham	......	.00½	.....	.....	.....
1	1.25	.80	Granada	6,655	.96	.96	.80	.80
1	.22	.09	Groselle	......	.15	.....	.....	.....
1	.02½	.01½	Harker	4,000	.01½	.01½	.01½	.01½
1	.01½	.00¾	Hilltop	1,000	.00¾	.00¾	.00¾	.00¾
5	5.70	4.80	Hollinger	4,305	4.90	5.00	4.80	4.80
1	.36	.30	Howey Gold	5,700	.31	.32	.31	.31
No	2.78	1.75	Hudson Bay	2,000	1.90	2.00	1.75	1.85
No	.20	.15	Huronian	150	.15	.15	.15	.15
No	11.00	6.00	Int. Nickel	39,911	8.25	8.00	6.00	6.25
1	.01½	.00¾	Jackson Manion	12,500	.01	.01½	.00¾	.01½
1	.23	.15	Keeley	250	.23	.22	.22	.22
1	.02½	.01	Keora Mines	......	.01	.....	.....	.....
1	.70	.40	Kirk. Hud. Bay	3,200	.60	.60	.60	.60
1	.02½	.00¾	Kirk. Hunton	......	.01	.....	.....	.....
1	.55	.36	Kirkland Lake	20,100	.40	.41	.36	.36½
1	.03½	.01½	Kirk. Premier	5,500	.01½	.01½	.01½	.01½
1	.13	.07½	Kirk. Townsite	2,200	.08	.08	.07½	.08
20c	.01½	.00½	Koot. Florence	3,000	.00½	.00½	.00½	.00½
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	......	.40	.....	.....	.....
1	29.50	27.20	Lake Shore	3,310	28.50	28.60	27.65	27.70
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.06½	.01½	Lebel Oro	500	.04	.03	.03	.03
1	.41	.29½	Macassa	5,400	.35	.35	.34	.34
1	.07	.02½	Malartic	1,100	.04	.04	.04	.04
No	.06	.04	Mandy	......	.05	.....	.....	.....
No	.01½	.00½	Manitoba Basin	3,000	.00½	.00½	.00½	.00½
5	19.50	16.25	McIntyre	650	16.50	16.55	16.25	16.25
1	.35	.25	McKinley	250	.25	.32	.32	.32
No	.09½	.03½	McLeod River	37,500	.06½	.07	.06½	.06½
No	1.43	.85	Mining Corp.	2,395	1.00	1.00	.92	.92
1	.08½	.01½	Moffatt Hall	54,500	.02½	.02½	.01½	.02
1	.02½	.02½	Moneta	......	.02½	.....	.....	.....
1	.45	.20	Moss	24,800	.38½	.38	.35½	.36
1	.02½	.01	Murphy	3,500	.01½	.01½	.01½	.01½
No	.03	.01	Newbec	1,000	.01½	.01½	.01½	.01½
5	1.15	.76	Nipissing	600	.93	.85	.76	.76
No	19.80	15.00	Noranda	34,252	17.00	17.25	15.50	16.10
No	.24	.17	Nor. Canada	......	.20	.....	.....	.....
No	.01	.00½	Old Colony	3,000	.00½	.00½	.00½	.00½
1	.08	.05	Osisko	......	.06½	.....	.....	.....
1	.08	.08	Parkhill	......	.08	.....	.....	.....
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01½	Pawnee Kirk.	......	.01½	.....	.....	.....
No	1.15	.75	Pend Oreille	1,300	.80	.82	.75	.75
1	.01	.00½	Peterson Cobalt	......	.00½	.....	.....	.....
1	4.10	3.10	Pioneer Gold B.C.	3,000	3.77	3.80	3.75	3.75
1	.05	.04	Pioneer	......	.04	.....	.....	.....
1	.00¾	.00½	Porcupine Crown	2,000	.00½	.00½	.00½	.00½
1	.02	.01	Potter Doal	500	.01	.01½	.01½	.01½
1	.63	.39	Premier Gold	4,650	.45	.46	.39	.46
1	.00¾	.00½	Preston E. Dome	1,000	.00¾	.00¾	.00¾	.00¾
No	.30	.15	Prospectors Air's	......	.25	.....	.....	.....
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.06	.04	Quemont	......	.05	.....	.....	.....
1	.02½	.01	Ribago	19,500	.01½	.01½	.01½	.01½
1	.02½	.01	Ritchie	8,500	.01½	.01½	.01½	.01½
1	.01½	.00¾	Robb Montbray	......	.01½	.....	.....	.....
1	.42	.25	San Antonio	1,566	.38	.38	.36	.36
1	.09	.09	Seven Troughs	......	.09	.....	.....	.....
1	.65	.38	Sherritt Gordon	12,725	.43	.44	.38	.40
1	.70	.50	Siscoe	65,615	.63½	.64	.59	.60½
1	.03	.01½	South Keora	1,500	.01½	.01½	.01½	.01½
No	.02½	.01	Stadacona	......	.01	.....	.....	.....
1	.17	.07½	St. Anthony	1,000	.10	.09	.09	.09
No	.45	.20	Sudbury Basin	1,700	.28	.25½	.20	.25
1	.01½	.00¾	Sudbury Contact	......	.01½	.....	.....	.....
1	.01	.00½	Sudbury Mines	2,000	.00½	.00½	.00½	.00½
1	.12	.09	Sullivan	4,000	.11½	.11½	.10	.10
1	.65	.50	Sylvanite	18,300	.50	.51	.50	.50
1	.07	.02½	Tashota	9,500	.03	.03	.02½	.02½
1	5.25	4.12	Teck Hughes	17,265	4.30	4.42	4.23	4.25
1	.03½	.02	Thom. Cadillac	......	.02½	.....	.....	.....
1	.40	.20	Towagmac	1,500	.20	.20½	.20	.20
1	3.00	1.00	Treadwell	700	3.00	3.00	2.25	2.25
1	.09½	.05	United Kirkland	......	.07	.....	.....	.....
1	.01½	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.39	Ventures	16,900	.41	.41	.39	.40
1	.17½	.04	Vickers	1,500	.13	.16	.09½	.09½
1	.45	.30	Vipond	3,000	.33	.33	.30	.31
No	1.00	.40	Waite Ackerman	4,100	.60	.51	.40	.40
1	.07	.03	White Lake	2,000	.03	.04	.03½	.03½
1	.01	.01	Wiltsey Coughlan	2,000	.....	.01	.01	.01
No	3.06	2.40	Wright-Hargreaves	18,545	2.51	2.53	2.40	2.41
			OIL STOCKS					
No	.19	.13	Acme Gas & Oil	20,700	.15	.14½	.13	.13½
1	1.17	.80	Ajax	14,000	.94	.92	.80	.80
1	.12	.05	Alta. Pacific	2,620	.08½	.07½	.07	.07
1	.03½	.02	Askalta	......	.06	.....	.....	.....
No	.10	.04½	Associated	......	.05	.....	.....	.....
No	.04	.02	Baltac	500	.02	.02	.02	.02
	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.06	.03	Brit. Dominion	50	.04½	.03	.03	.03
1	.09	.05	Calmont	100	.06	.05	.05	.05
No	.38	.18	Calgary & Ed.	300	.25	.18	.18	.18
1	.11	.05	Commercial Pete.	500	.06	.05	.05	.05
No	.20	.11	Dalhousie	200	.15	.12	.11	.11
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.12½	.04	East Crest	2,700	.09½	.09½	.08	.09½
No	.01½	.01½	Fabyan Pete.	......	.01½	.....	.....	.....
No	.10	.07	Foothills	......	.10	.....	.....	.....
No	.05½	.02½	Freehold	1,500	.02½	.02½	.02½	.02½
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.04	Hargal	......	.04	.....	.....	.....
No	.05	.03	High Sarcee	......	.03	.....	.....	.....
No	.47	.18	Home	3,270	.23	.20	.18	.20
No	.05	.02	Homestead	100	.02	.03	.03	.03
1	.50	.23	Homest'd O. & G.	2,500	.23	.30	.23	.30
1	.01	.00½	Illinois Alberta	3,500	.00½	.00½	.00½	.00½
No	.02½	.00½	Lethbridge	2,000	.00½	.00½	.00½	.00½
No	.02	.00½	Madison	14,000	.00½	.00½	.00½	.00½
1	.15	.10	Mayland	......	.10	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	400	.03½	.01½	.01½	.01½
1	.04½	.03½	McD. Segur New	......	.03½	.....	.....	.....
1	.50	.22	McLeod	200	.35	.32	.32	.32
No	.10½	.07½	Mercury	25,750	.07½	.07½	.07½	.07½
No	.08	.05	Merland	......	.06	.....	.....	.....
No	.15	.09	Mill City Pete.	300	.09	.09	.09	.09
1	.20	.16	Model	575	.17	.18	.16	.16
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.04	Moose Mountain	......	.04	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.05	Nordon	4,000	.05	.05½	.05	.05
No	.04½	.02½	Oil Selection	71,600	.04	.04½	.03½	.04
No	.05	.02½	Okalta	1,000	.03	.02½	.02½	.02½
100	15.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.20	.12	Olga Gas & Oil	......	.15	.....	.....	.....
No	.06½	.02	Penn. Pete.	19,500	.03	.03½	.03	.03
1	.28	.15	Petrol Oil & Gas	1,000	.20	.15	.15	.15
No	.14	.08	Ranchmen's	......	.08	.....	.....	.....
1	.01	.00½	Regent	......	.00½	.....	.....	.....
No	.02½	.01½	Richfield	......	.02	.....	.....	.....
No	6.65	5.00	Royalite	165	5.75	5.65	5.00	5.00
1	.12	.05	Sarnia Oil	......	.10	.....	.....	.....
1	.03	.01½	Signal Hill	......	.01½	.....	.....	.....
1	.20	.17	Spooner	325	.19	.18½	.18	.18
No	.11	.06	Sterling Pacific	100	.07	.07	.07	.07
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.04	United	300	.04½	.04½	.04½	.04½
1	.09½	.08	Vulcan	......	.08	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to April 6)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	32,000	.04	.04½	.04	.04
25c	.02½	.01	Bluebird	......	.01½	.....	.....	.....
1	.12½	.06½	Bridge River Cons.	126,860	.06½	.10	.07½	.09½
25c	.01½	.01½	Cork Province	......	.01½	.....	.....	.....
1	.13	.06	Cotton Belt	......	.09	.....	.....	.....
1	.45	.25	George Copper	100	.45	.25	.25	.25
50c	.01½	.01½	Geo. Enterprise	......	.01½	.....	.....	.....
1	.04½	.02½	Georgia River	24,300	.08	.08½	.03	.03
1	.24	.20	Golconda	......	.20	.....	.....	.....
50c	.08	.03	Grandview	7,000	.04	.04	.03	.03
25c	5.25	5.25	Hecla Mining	......	5.25	.....	.....	.....
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.11½	.09	Inter. Coal	......	.11½	.....	.....	.....
1	.22	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.19½	.13	Lorne Gold	108,700	.14½	.15½	.13	.15½
10c	.02	.01	Lucky Jim	1,000	.02	.01	.01	.01
5c	.12	.08	Metaline Metals	......	.08	.....	.....	.....
1	.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.03	.01½	National Silver	24,000	.01½	.01½	.01½	.01½
50c	.08½	.03	Noble Five	1,500	.03	.03½	.03½	.03½
50c	.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	4.11	3.30	Pioneer Gold	2,175	3.95	4.00	3.77	3.80
50c	.08½	.05	Porter Idaho	4,000	.05½	.05	.05	.05
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
No	.28	.18	Reeves McDonald	2,000	.21	.21	.18	.18
1	.50½	.21½	Reno Gold	123,550	.46	.50½	.43	.50½
1	.05	.04	Ruth Hope	......	.04	.....	.....	.....
1	.03½	.02½	Silverado	......	.03½	.....	.....	.....
25c	.02	.01½	Silver Crest	......	.01½	.....	.....	.....
50c	.01½	.00½	Snowflake	2,000	.00½	.00½	.00½	.00½
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.04	Whitewater	......	.04	.....	.....	.....
No	.00½	.00½	Woodbine	......	.00½	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.	....	Noranda	50c.	3.10
Cons. Smelters	$2.50+a	6.25	Premier	12c.	....
Dome Mines	$1	10.20	Pioneer, B.C.	12c.	3.20
Hollinger	65c.	13.54	Royalite	50c.	....
Howe Sound	$1	....	Siscoe	4c.	....
Lake Shore	$2+50c.	9.02	Sylvanite	4c.	....
McIntyre	$1	6.15	Teck Hughes	60c.	14.10
McLeod Oils	5c.	....	Wright-Har.	10+2½c.	5.18

a. Stock bonus 1 share for each 20 shares held.

New Brunswick Coal Output

W. E. McMullen, Provincial Inspector of Mines, reports that New Brunswick's coal output for the past fiscal year was 155,353 tons of 2,240 pounds each. This year 20,000 tons will be required for the power plant of the New Brunswick Power Commission which will absorb all slack or screenings in the Grand Lake district and permit the production of more screened coal for the general market.

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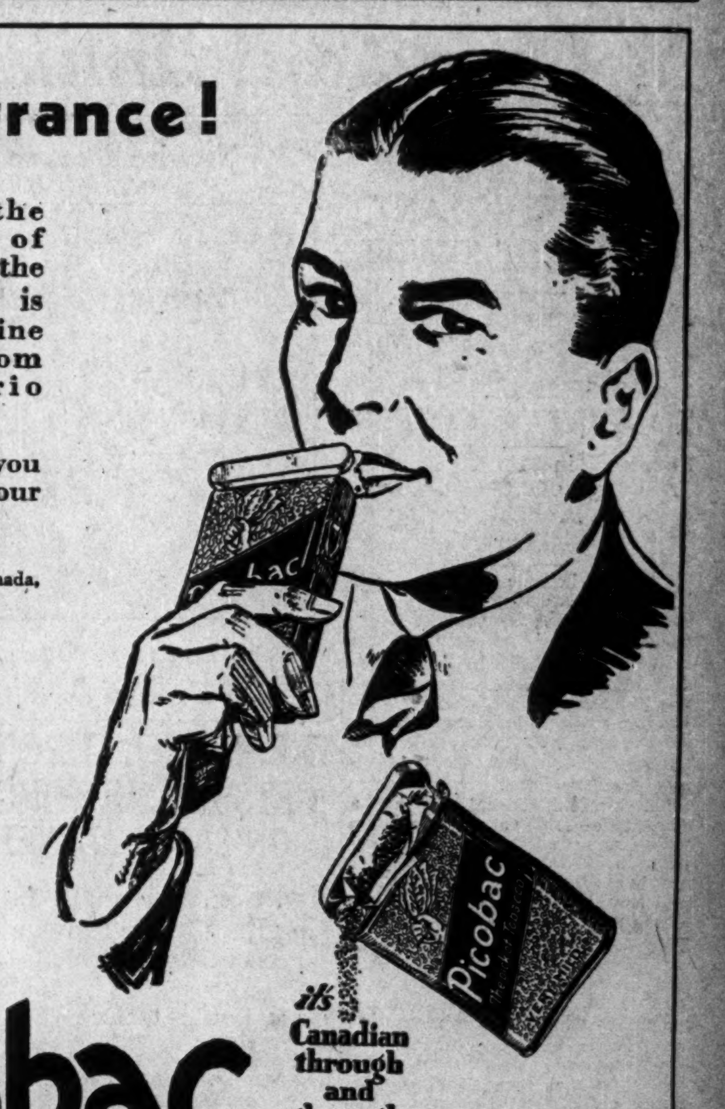

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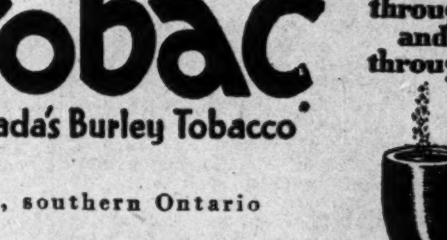

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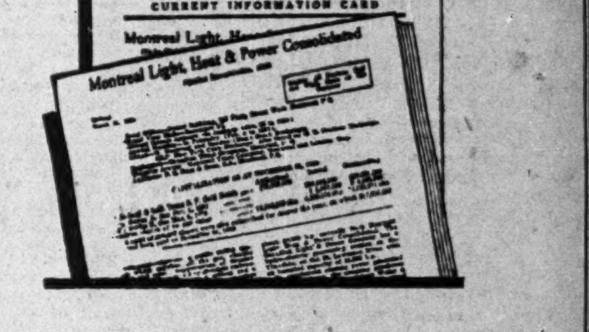

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Canadian Mining News

NORANDA MINES TO DOUBLE PLANT, PRESIDENT STATES

Plan Involves Bringing Concentrator to 2,000 Tons Daily at Once

TO CURTAIL COPPER

Earning in First Quarter About $1,000,000 — Dividends Probable During Year

Before a large, appreciative and inquisitive gathering of shareholders of Noranda Mines at the annual meeting of the company held in Toronto on April 9, J. Y. Murdoch, K.C., its president, outlined the company's expansion programme which involves doubling its concentrating capacity on account of the new ore developments at the mine.

The present concentrator has a capacity of 1,000 tons of ore daily, which, according to the annual report, in 1931 treated 317,892 tons of the lower grade concentrating ore containing $1,230,242 in gold and 13,542,199 pounds of copper. This was on a par with the grade of ore treated in previous years and assuming a similar grade is treated in the future provides a cue as to what the new expansion programme means. Work will be started at once on the new mill also on additional ore-handling and crushing facilities, and it is expected the increased capacity will be in operation early next year.

No. 4 Shaft Deepened

Mr. Murdoch outlined the new developments since the first of the year, not covered in the annual report, which included the sinking of the No. 4 shaft from a depth of 1,557 ft. to 1,900 ft. on its way to the immediate objective of 2,475 ft. where it will be connected with the No. 3 shaft.

On the 1,975-ft. level additional diamond drilling has been conducted, further outlining the lower "H" ore body on this level. About 18½ per cent of the new ore is estimated as being direct smelting grade ore somewhat lower in gold, but higher in copper content than the average present direct smelting ore reserves. The remainder is concentrating ore of somewhat higher values in gold and lower in copper than the present concentrating ore reserves.

On the 2,475-ft. level, 345 ft. of drifting and crosscutting and 2,250 ft. of diamond drilling further outline the lower "H" ore body on this level, indicating about 30 per cent will be direct smelting ore, higher in gold, but lower in copper than the present direct smelting ore reserves. The remainder is concentrating ore estimated to average around $5 per ton in gold and .6 per cent copper.

In view of the somewhat irregular shape of the ore bodies, which occur as lenses it is thought better to state actual areas rather than lengths and widths, but to give an approximate idea of the size of the ore body developed on the 1,975-ft. level it was shown that it was about 550 ft. in length with a maximum width of 295 ft., while on the 2,475 ft. level it was a maximum length of approximately 600 ft. with a maximum width of 525 ft. Development between the 1,975 and the 2,475 ft. levels had indicated during the past year 55 per cent increase in the copper reserves and 100 per cent in the gold reserves, while drilling 200 ft. below the 2,475 ft. level confirmed the existence of ore.

Curtails Copper Output

In conjunction with the curtailment policy adopted by the leading copper producers of the world, Noranda has undertaken immediately to curtail its copper output equal to 6½ per cent of its production during the last six months of 1931. This will not reduce the precious metals production, Mr. Murdoch observed, but will mean that operations will be carried to capacity and after refining the blister copper and recovering the precious metals, 6½ per cent of the refined copper will be stored and not marketed. In response to a question as to when this surplus copper would be marketed Mr. Murdoch was canny about committing himself, but expressed the belief that now that copper production is curtailed to less than consumption requirements by the leading producers of the world, he expected that by the end of the year to see evidence of an improvement, which with existing stocks cleared up would be conducive to higher prices.

Mr. Murdoch has just returned from a trip to England where he found the company's copper marketed under the trade name of C. C. R., enjoying a good reputation and he looks for increasing demand for the company's product. If United States imposes a duty on imported copper he looks to Great Britain to take the company's entire production.

In 1931 $575,000 was expended on exploration work and while costs have been reduced, marks the lowest cost operations in the company's history with estimated earnings. Estimated earnings for the first quarter of 1932 are given at approximately $1,000,000 after the usual write-offs and reserves. On the subject of dividends Mr. Murdoch was non-committal, but unofficially he said he hoped that a dividend would be paid later in the year.

Taxes Are Mounting

On the subject of increased taxation, Mr. Murdoch said that in 1931, taxes in various forms exceeded the $1,119,886 paid to shareholders as dividends. Wages and salaries to the company's 1,600 employees have not been reduced, but increasing taxation, Mr. Murdoch observed, was now near the point where it might kill the goose that lays the golden egg.

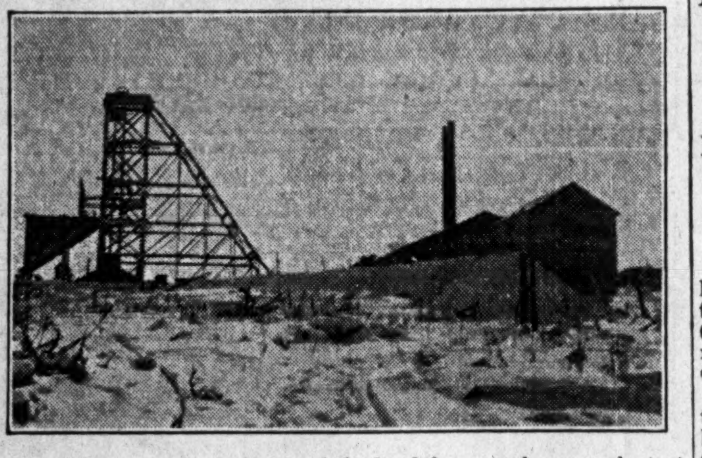
In 1931 the company's gold production of $5,337,758 exceeded the value of its copper production and the property was now as much a gold mine as a copper mine, Mr. Murdoch observed, with the 1932 production estimated to equal that in 1931, with sales of copper subject to the curtailment agreed upon.

Exploration activities in the Pascalis area, Quebec, continued although the Matthews option had been allowed to lapse, owing to its very irregular diamond drill results. Drilling on other properties in the area continues.

In response to a question as to the company's subsidiary interest, shareholders were informed that Noranda had 70 per cent interest in the Canadian Copper Refiners, 24 per cent interest in the Canada Wire & Cable Co., and an option on a further block, about ten per cent interest in the common stock of Aldermac Mines and over 80 per cent interest in Waite-Ackerman-Montgomery Mines.

The meeting closed with the existing board of directors being re-elected for the ensuing year.

Treadwell-Yukon's Quebec Property



The above is a recent picture of the head frame and power plant at Treadwell's Louvicourt, Quebec, property, where arrangements are being made to install a mill this summer.

TREADWELL YUKON GETS BIG SHOWING ON 200-FT. LEVEL

Hydro-Electric Plant Being Installed to Provide Present Requirements

Treadwell-Yukon Co. is setting up what promises to be a record for the speedy development of a raw gold prospect at its property in Louvicourt township, Quebec.

The aggressive manner in which Treadwell has developed its holdings reflects the promise held for the property. Within the period of about nine months since the option was taken, which was followed by surface work and diamond drilling, a shaft has been sunk to the 200 ft. horizon. Crosscutting on the 200 ft. level recently reached the ore zone and, while results were reported as satisfactory, The Financial Post has learned that they are far in excess of those commonly accepted. At the crosscut 29 ft. of ore assaying $18 per ton in gold was encountered. Surface work, likewise, has been correspondingly encouraging and in tracing the mineralization 9,000 ft. away, good assays have been obtained. As evidence of the plans the company is making for development of this property it is interesting to know that within the past few weeks a dam has been constructed on the Colombierre River and a hydro electric power site is being developed under a head of approximately 18 ft. of water. A 1,000 h.p. turbo generator set is being installed and it is anticipated that by the middle of May power for preliminary operations will be available. In addition, a construction railway is being built from the head of navigation to the company's property, about 2½ miles.

The new 100-ton capacity test mill planned for the property is expected to be in operation late in July and indications now are that an even greater capacity will be provided for. It is further planned to hand-cob the ore, throwing out the waste rock which is readily identified, thus materially raising the capacity and heads of the ore treated.

By fall, it is expected that a camp will have been established at Pascalis and that it will have joined the ranks of the established producers and added another chapter to Quebec's gold mining history.

PAYMASTER NEEDS FINANCES AT ONCE

Shareholders Are Advised That Company's Position is Precarious

Shareholders of Paymaster Consolidated Mines are in receipt of an urgent official plea that allotments of treasury shares (at 15 cents per share) be taken up in order to relieve urgent financial needs.

The notice states that, since February 10, 1932, the outstanding note indebtedness assumed at the time of consolidation, has been reduced from $34,675 to $29,675 and that, while these notes are not due until 1933, the semi-annual interest charges make it advisable that they should be called in and paid without delay.

The uncontrollable overhead of the company is approximately $15,000 annually, consisting of taxes, interest on notes, insurance, payroll and property upkeep, and it is the intention of officials to raise funds to keep these paid regularly, otherwise the company faces liquidation.

Since the consolidation was effected and the present company formed two years ago, directors have raised sufficient money to liquidate most of the old indebtedness and take care of current liabilities, overhead and other obligations totalling over $180,000.

Siscoe Production At New High Record

Siscoe Gold Mines, Quebec's pioneer gold producer, is piling up new production records month by month. The value of the March production shown at $91,191 from 5,416 tons of ore treated, brings the quarterly record to $260,697.

The average millheads in the first quarter of 1932 were $16.90 per ton as compared with $11.75 in the previous quarter and an average of $13.35 per ton in 1931. In addition, the premium on the gold production amounted to approximately $36,000 making the value of the production in the first three months of 1932 about $315,450, or an average of better than $105,000 per month.

Federal Budget Fair, Mine Operators Believe

The federal budget, brought down on April 6, 1932, was for the most part agreeably accepted by the mining industry, in view of the fact that while taxes and costs have been increased there is no discrimination against mining.

The increasing of the corporation tax from 10 to 11 per cent is shared by all corporations alike, as is the two per cent sales tax and the two per cent excise tax on imports. These new taxes will have the inevitable effect of increasing costs but the mines in general feel thankful that the corporation tax was not increased to 12½ per cent as was originally under consideration. The proposal to decrease the depletion allowance of gold mines from 50 to 40 per cent of profits was disposed of prior to the budget appearing so that there is no change in that respect.

Smelters Cuts Operating Time All Crew Work

From Our Own Correspondent

VANCOUVER. — Consolidated Mining & Smelting Co. is retaining, for the present at any rate, the full 100 per cent crew required to operate its plants at full capacity in the manufacture of fertilizer and metals, according to S. G. Blaylock, vice-president and general manager.

Full crews will be maintained by keeping the men working at 75 per cent time, that is to say, working 15 days and being off for five, explained Mr. Blaylock. The lead plant will run at 85 per cent of its rating, and the zinc plant at 55 per cent.

The sulphuric acid plant is not up to its rating because, with zinc production cut, there is not enough roaster gas to keep it running at full capacity, all of the zinc gases being used for this purpose. All of the sulphuric acid is being made into ammonium phosphate and ammonium sulphate fertilizers, these plants being run to use all the sulphuric acid produced under these conditions. This makes it necessary to shut down the triple superphosphate plant temporarily, Mr. Blaylock explained, but it is hoped this will be for only a few months.

The company is expanding its export markets and a large percentage of the fertilizer is being shipped to foreign countries.

The only men laid off recently are those who had been engaged in construction work now completed.

Tailings

Northern Quebec Gold Mines has had its property adjoining the Granada Gold Mines on the east, surveyed ready for patent and is maintaining a crew doing surface work.

Last year a crew was maintained in trenching and test-pitting what is believed to be the easterly extension of the Granada syenite porphyry intrusion, and five gold-bearing quartz veins were located. A diamond drilling programme is planned upon completion of the present work to test the extension of the vein at depth, according to W. A. Hesse, managing director of the company of Montreal.

* * *

Metals Development, developing a gold property in the Clearwater Lake section, Patricia district, Ontario, is about ready to resume shaft sinking, a mining plant having been taken in from the Dunkin Gold Mines during the winter months.

* * *

A small test mill is to be set up on the gold showing at Herb Lake, owned by the North British Mining & Milling Co., according to advice from The Pas. The company has purchased the Bingo mill, a small affair used for test purposes, and is making arrangements to be in operation late this spring.

* * *

All the machinery for the new O'Brien-Cadillac mill has now arrived at Amos and is now certain of being hauled to the mine before the break-up.

* * *

Several small groups of claims have recently been optioned, some by strong companies and the general belief is that this district will be active early next summer.

New Illinois-Alberta Oils Forced Into Liquidation

New Illinois-Alberta Oils, incorporated with a Dominion charter in September, 1930, as a reorganization of the Illinois-Alberta Oils, has been forced into liquidation by financial difficulties, according to advice from Calgary.

The predecessor company, Illinois-Alberta Oils, was incorporated in 1923 and was one of the earlier companies to undertake development work in the Turner Valley. On August 29, 1930, approval was voted by shareholders to sell the company's assets to the New Illinois-Alberta in the hope that a reorganization would save the company.

Last April the company's No. 1 well was shot with nitro glycerine in an effort to bring back the earlier production, but little success was met with and rapidly falling earnings resulted. Production was first taken from the No. 1 well in 1927 and to the end of 1930 a total production of 67,403 barrels of crude naphtha was reported. The company's holdings in Turner Valley consisting of 20 acres was free from royalty obligation, and aside from property, it is understood there are no assets except of a negligible nature.

GAS CONSERVATION TO BE CONTROLLED BY ALBERTA BOARD

Legislature Passes Bill Providing For Control of Turner Valley

GAS RATE STANDS

Public Enquiry to Be Held as to Methods Employed in Assessing Values

Alberta's gas conservation bill, limiting the gas production from the Turner Valley area to 200,000,000 cu. ft. daily, passed its final reading in the Alberta Legislature on April 5.

The bill provides for a conservation board consisting of three members, appointed by the Lieutenant-Governor-in-Council, which shall before Oct. 1, 1932, hold a public enquiry into the various conditions encountered by the producing and other interests in the Turner Valley field, for the purpose of determining upon the scale of compensation or distribution of revenue.

The gas flow from the field is to be limited immediately to 200,000,000 cu. ft. of gas daily and the board will have authority to control and supervise the field from the date of appointment, also to define areas, engage engineers and other experts for a comprehensive examination of the gas-producing region, also to fix production from any or all wells and also to restrict the total flow of gas to 100,000,000 cu. ft. daily at any time deemed advisable.

Gas Increase Deferred

The clause imposing a two-cents per thousand cu. ft. levy, for compensation to the producing interests, was struck from the bill before its final reading and thus no increase in the price of gas will be made to consumers during the six months period of the commission's investigations and pooling negotiations.

Premier Brownlee of Alberta told the legislature that two members of the board had been practically decided upon, but that the third appointment was giving the government some concern and that he proposed leaving at once for Ottawa to discuss the problem with the Federal Department of Mines.

The conservation board is to set about its duties immediately after it is appointed and if after reasonable endeavors, at the expiration of six months, it is unable to bring about unified operations of all the wells by means of a pooling arrangement, the board will be required to report back to the government and recommend any scheme of operations considered advisable.

For the past few weeks producers and interested parties in the field have been presenting their cases to the government in an effort to arrive at a mutually acceptable conservation agreement but complete unanimity has been found impossible and it is expected that the appointment of the board will speedily adjust any differences.

Conservation Paramount

It has been increasingly apparent as time went on that some strict conservation measure must be inaugurated in Turner Valley and the gas wastage stopped, otherwise the field would be depleted within a short time. As is well understood, Turner Valley is a wet gas field, the crude naphtha being recovered as a by-product at the expense of the wastage of millions of feet of gas. Only a small fraction of the gas produced in the field has a market available, hence upon the extraction of the crude naphtha the gas is burned to waste in the field. The winning of crude naphtha at the expense of such a huge gas wastage became an increasing problem as interests continued their drilling programmes. Last year due to the waning demand for gasoline in the Alberta area, the Imperial Oil, the principal refinery in the area, curtailed its purchases of crude naphtha in line with gas sales.

It will be the duty of the conservation board to arrive at some equitable arrangement whereby the most profitable wells, from the standpoint of crude naphtha will continue production, also to determine the potentialities of the respective wells drilled in the area, as well as the potentialities of the acreage held by the respective companies.

Imperial Drilled First Producer

Imperial Oil, through its subsidiaries, is the largest individual lease holder in the field and brought in the first wet gas producer from the limestone horizon. Wells drilled by this company and its subsidiaries, subsequently have been in the nature of offset wells, adjacent to the drilling on adjoining properties. In the area of the premier producer, Royalite No. 4, practically no drilling has taken place.

Dr. R. G. Wallace, president of the University of Alberta, who was among those giving evidence before the committee of the legislature, said that, investigating the problem, there seemed no other solution than the pooling of the whole field and distributing the accruing profits pro rata according to the potentialities of the holdings of the respective companies. Dr. Wallace has expressed the belief that, with the conservation programme in effect, the question of export of gas from the province is warranted. The ban on the export of gas has been lifted and it is understood that arrangements are under way for interests in the Wainwright field to export the gas from that area.

While no announcement has been made as to the personnel of the new conservation board, it is considered probable that Dr. Wallace and A. A. Carpenter, head of the utilities board, will be two of the members.

Hayden, Porcupine's Newest Gold Producer

A view of the new mill head frame at the Hayden Gold Mines, located three miles southwest of Timmins, Ont. The new mill was started on April 14, and is the first property in Ogden township to become a producer.

South Africa Gold Output Shows But Little Evidence Of Early Rapid Decline

Canada is Long Way From Gaining First Place

FIELD EXPANDING

New Areas, Deeper Mining, Lower Costs Contribute to Lengthening Life

Much has been written about Canada having gained second place to South Africa in the production of gold but few Canadians realize how long is the lead still held by the premier producer. The fact that Canada produced approximately $55,500,000 in gold in 1931 and promises to have a still greater output in 1932, against South Africa's $124,000,000 has given rise in uninformed quarters to the belief that South African production is waning and that Canada is a serious contender for first honors.

An article in "The Annalist" of New York, written by its South African correspondent, paints, however, a very happy outlook for the future of gold mining in that area. Excerpts from the article are as follows:

In most discussions by economists and bankers concerning the world's future supplies of gold and the relation between gold and prices, it has been assumed that the gold output of South Africa is about to commence a definite decline which will attain considerable dimensions in ten years' time. The fact is the gold output of South Africa has for many years represented an increasing proportion of the world's annual output of gold, now amounting to 55 per cent of the total.

In 1901 John Hays Hammond estimated that to a depth of 6,000 ft. which at the time was considered to be the greatest depth at which gold mining could be carried on profitably, gold to the value of £800,000,000 would be produced on the Witwatersrand, the area from which the great bulk of the gold won in South Africa is obtained. Since that time over £1,000,000,000 of gold has already been taken out from the Witwatersrand mines, and they are still going strong. In 1913 the Transvaal Chamber of Mines stated in evidence before a commission that from forty-two of the fifty-one mines producing at that time there would be worked, from a depth of 7,500 feet, gold to the value of approximately £500,000,000. Since 1913 the Transvaal mines (i.e. Witwatersrand and others) have already produced £700,000,000 of gold.

At the end of 1924 Joseph Kitchin estimated that the gold output of the Transvaal would fall from about £40,500,000 in 1924 to £29,000,000 in 1930. Instead of a decline, the output rose by £5,000,000 or 12 per cent during the six years. In 1925 the Union Government Mining Engineer issued a statement to the effect that, on the basis of the official lives of the producing mines as determined for purposes of taxation, there would be a reduction of 13 per cent in the gold output of the Transvaal in five years' time (1930), and one of 35 per cent in ten years' time (1935). It is true that this forecast was deliberately based only on the mines already in existence at the time and, moreover, that it took no account of unforeseen increases in the crushing capacity of the mines, but whichever way it is regarded, the estimate has proved far too low.

The Union Government Mining Engineer estimated that the output would amount to £43,500,000 in 1930 and £42,600,000 in 1931, and Mr. Kitchin placed it at £43,600,000 and £43,000,000 respectively. The actual output in 1930 turned out to be £45,500,000 and in 1931, over £46,000,000. The alarming feature about their estimates is the rapid decline which they predict is likely to take place in the near future. By 1940, according to the Union Government Mining Engineer, the output for the year would have fallen to £25,500,000 and by 1948 to £10,000,000.

"Estimates of the probable lives of the various gold mines have to be made for purposes of amortization computations, taxation of net income and mining policy, but is dangerous to apply such estimates to future gold production as a whole and then to base thereon important conclusions concerning the percentage of annual increase in the world's stock of monetary gold compared with the increase in world production and trade.

All Estimates Too Low

"The only point which I wish to emphasize here is that, while in certain quarters outside South Africa an atmosphere of comparative certainty and definiteness regarding an early and considerable decline in the South African gold output seems to have been created, the likelihood of such a decline is by no means generally accepted in South Africa itself. In fact, owing to recent important developments, there is a strong feeling in South Africa at present that anything may happen in the near future to render possible the maintenance of the South African gold output at or near its present high level for an extended period of years.

"In the first place, despite all the prophecies by experts of an imminent fall in the South African gold production which have been given publicity from time to time during the past ten years, the record output reached in 1916 was surpassed in 1924 and since that time a new record has been established every year. Between 1924 and 1931 there was an increase of 14 per cent in the Transvaal output. On this score alone it cannot be said with any degree of certainty that South Africa has reached the zenith of its gold production and is on the eve of a decline.

"Secondly, great activity and interest have recently been displayed in connection with the opening up and development of new mines on the Far East Rand. The East Geduld Mine commenced production in July, 1931. The Daggafontein Mine will reach the producing stage early this year, and recently acquired an additional lease area of 722 claims from the government.

The development of the Witport Gold Areas mine, which was started years ago and abandoned, has now been resumed and encouraging results have been obtained. The Grootvlei Proprietary Mine, have now a total of 3,637 claims. The prospecting results have been satisfactory so far and negotiations are now proceeding to the company's property to the producing stage. In addition, the Union Corporation has undertaken the prospecting of the farm Vlakfontein No. 21, which is also on the Far East Rand, and there is even talk of the re-opening of the old Nigel Mine.

This is sufficient to indicate the feeling that prevails in certain circles in South Africa regarding the probable wholesale extension of mining activities on the Far East Rand.

New Activity in the West Rand

Thirdly, the neglected West Rand has also been attracting a great deal of attention recently.

As a writer on mining matters expressed himself a few months ago, "the West Rand appears to be coming into its own once again and the confidence of the investing public is being rapidly regained."

North and Central Rand

Fourthly, the North Rand has also been attracting attention lately. Valuable prospecting work is being done on the North Rand reefs at a point north of Roodespoort. In fact, it has been reported that "recent developments on the North Road have been of a highly encouraging nature, and it now seems probable that an epoch of renewed activity can be looked for from this area."

Fifthly, the Central Rand, which has disappointed many prophets, and which seems to get a new lease of life every few years, is maintaining its reputation for surprises. These factors are never taken of future gold production, yet they have been proved by experience to be very important in keeping up the output of the Central Rand.

Reorganization and Rejuvenation

Other recent examples of reorganization and rejuvenation are the East Rand Proprietary Mines, Simmer and Jack and City Deep.

The City Deep, which has now produced for almost thirty years, has been incurring losses for several years in succession, owing to a decline in the average grade or value of ore mined. Various improvements have been brought into effect, and it has been decided to reorganize the mine on a smaller scale of production —i.e. to mine the better grade of ore only.

Discoveries Outside the Rand

Sixthly, discoveries of gold occurrences have been made in various parts of South Africa outside the Witwatersrand and recently there has been a good deal of active prospecting in such areas as the Vredefort District of the Orange Free State, the Potchefstroom District of the Transvaal and the Vryheid District of Natal. It has not been established that gold is present in large and payable quantities in these areas, but the possibility of finding a profitable gold field has not been ruled out either.

Deeper Workings Practicable

Finally, it has been found practicable to work profitably at depths hitherto unknown on the Rand or in any other part of the world. In the Village Deep a vertical depth of 7,500 ft. has now been reached and there continues to be no falling off in value at depth. It is now the intention of the management of the amalgamated Robinson Deep-Village Deep Mines to sink shafts to vertical depths of 8,500 and 8,200 feet, respectively.

As a result of all these favorable developments, a spirit of optimism prevails in South Africa in regard to its future gold production.

With Tax Exemption

Another favorable factor has recently come into the foreground. In the eyes of the gold-mining industry the Union Government have shown that they are cognizant of the importance to the South African national economy of working as much of the low-grade ore as possible, and of encouraging the opening of new mines.

No Likelihood of Native Labor Shortage

It has been said that the excellent results of 1930 and 1931 are to be attributed to the plentiful supply of native labor consequent upon the prevailing depression and the lower rate of production and employment in other industries. The present government mining engineer recently said that the availability of an adequate native labor supply would maintain the output at its present level for about eight or ten years. The Union Government, and the leaders of the gold-mining industry together can be relied upon to secure the requisite supply of native labor with a view to preventing, as far as possible, a decline in gold production.

Case for Early Decline Not Made Out

It has not been the writer's aim to make or give any forecast of the future gold production of South Africa. The writer has merely tried to demonstrate that a good case has not yet been made out by those who have forecast an immediate or early decline of substantial dimensions. On the other hand, it cannot be stated definitely that the gold production of South Africa will not decline either temporarily or permanently during the next five, ten or fifteen years. We have to accept the fact that sooner or later a decline will probably have to be faced, be it large or small, but it does not appear to be definitely in sight as yet.

On the contrary, with the opening of several new large mines in the near future, the lengthening of the lives of existing mines by various means, the discoveries of gold occurrences outside the Rand and even outside the Transvaal, the increase in gold-mining profits and the attraction of new capital, and the realization, brought home fully by the current depression, that the gold industry is the principal source or basis of the welfare and prosperity of South Africa, it cannot be said with any degree of certainty that the South African gold industry has reached its zenith as yet.

N. A. M. E. Gets Quebec Claims, Party in Arctic

Northern Aerial Minerals Exploration has acquired the Sparks group of 13 claims in Bourlamaque township, Quebec, on a line and midway between the Treadwell-Yukon and the Siscoe gold properties. In addition, three other groups of claims have been acquired in the same general area. Plans are under way to send parties into the district as soon as the season opens up.

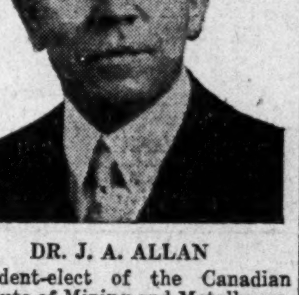
At the company's bornite find in the Copper Mine River area, Northwest territories, the party, including the diamond drillers, have arrived and a busy season is planned. A diamond drill was delivered to the property last year and as soon as there is sufficient water available for the drill, operations will start. A geophysical survey has been arranged, which will check the diamond drilling done and outline future work if it confirms work already accomplished.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 55.3 for the week ending April 7, as compared with 57.2 for the previous week.

Eleven gold stocks fell from 57.3 to 55.6, four gold-copper stocks from 62.1 to 59.6, and five silver and miscellaneous stocks from 20.9 to 20.0.

President C. I. M. M.



DR. J. A. ALLAN

President-elect of the Canadian Institute of Mining and Metallurgy, who was elected at the annual meeting of the association held in Montreal on April 5, 6 and 7. Dr. Allan is professor of geology at the University of Alberta, Edmonton.

ALDERMAC PYRITE LAYS FOUNDATION FOR NEW INDUSTRY

Mill Successfully Tested Now Awaits Orders For Operation

Following the successful testing of the new Aldermac mill and the production of pyrite, operations are suspended temporarily, pending contracts giving a continuous demand for the company's product.

The significance of the completion of the 500-ton Aldermac mill early this year may be better understood when it is realized that through the company's associated interest in Sulphide Research Corp., a demand is being created for pyrite through the development of the Freeman pyrite burner. To provide an adequate source of supply for this new process it was first essential that assurance be given of an uninterrupted source.

The development of the Freeman burner was the outgrowth of an increasing demand on the part of the pulp and paper industry in Canada for sulphuric acid, the basis of which is imported brimstone or sulphur, since Canada had no native sulphur resources of importance of her own.

Pyrite 50 Per Cent Sulphur

The pyrite concentrates produced by Aldermac contain approximately 50 per cent sulphur and 46 per cent iron. When burned in the Freeman burner the sulphur content is liberated in the form of sulphur dioxide gas, which, in turn, is used to make sulphuric acid so essential to the pulp and paper industry.

Considerable progress has already been made in the development of the new industry and a paper plant at Three Rivers, P.Q., has been using the process for many months.

With the enormous reserves of high pyrite ore and such a large market for sulphuric acid, a group of leading Canadian mining men have laid a foundation which promises in time to make Canada independent of foreign sulphur, at present principally imported from the United States.

The curtailment of production by Canada's pulp and paper mills has had the effect of retarding the progress the new industry might otherwise have enjoyed.

Form Co-operative Lobster Canneries

Captain Alfred Hanlon, president of the United Maritime Fishermen, states that fifteen co-operative lobster canneries will be in operation this spring and that fishermen in the union are optimistic over brightening prospects for the industry.

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